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Zhivkov Discusses Economic Issues, Restructuring

Report Presented on Restructuring

AU2707071789 Sofia BTA in English 1955 GMT 26 Jul 89

["Todor Zhivkov on Some Fundamental Issues of Restructuring of the Bulgarian Economy"—BTA headline]

[Text] Sofia, July 26 (BTA)—A report is submitted to be published of Mr Todor Zhivkov, secretary general of the Central Committee of the BCP [Bulgarian Communist Party] and president of the State Council, presented at the session of the Politburo of the Central Committee of the BCP, held on July 13 [sentence as received]. The secretary of the Central Committee of the Bulgarian Agrarian Party (BZNS), members of the government, the first secretaries of the regional party committees and heads of departments at the Central Committee of the BCP took part in the session.

The report is entitled "On Some Fundamental Issues of Restructuring of Our Economy".

Mr Todor Zhivkov points out that issues are raised for discussion with which the party and state leadership should become engaged after important steps have been made in the practical realization of the 1987 July Concept of the BCP and in the fulfillment of the December 1988 Plenum of the Central Committee of the BCP. He says that the existing experience confirms the rightness of the July Concept. The development of the country in all spheres is taking place under the sign of renewal. New approaches are being modelled which permit the large-scale development of restructuring. "They show that the BCP is not looking for shelter in the cliches of though [as received], but is trying to answer the challenges of time," Mr Todor Zhivkov says.

He notes that with the company-based organization in all spheres of social life the thing has been found which the country needs: To make a breakthrough. The interests are affected of the direct producers of goods, in each territorial community, new criteria of labour and social activity are formed, a new foundation is laid for the development of the processes of democracy in economy and the other spheres.

Dwelling in detail on the construction of the company-based organization of the economy Mr Todor Zhivkov points out that company-based structures were formed in electronics, machine building, chemistry and biotechnologies, in the sphere of the industry for man, etc. The next step is that the the company-based structures should step out of their anonymity and express their real possibilities and advantages.

Another important trend of restructuring is the raising of the role of the new territorial communities: the municipalities, the communes and the regions. The new regulatory decisions enable the national councils at the communes and the municipalities to dispose in their budgets of 4 billion 700 million leva, which is about 20 per cent of the country's total budget.

Mr Todor Zhivkov makes the conclusion that these territorial communities dispose already with the necessary levers to manage their territory.

The newly founded nine regions attained their rights and responsibilities which until now were only within the competence of the central state bodies.

Thus, qualitatively new possibilities are being opened for the development of the social sphere. Things begin with decisive initiatives for the restructuring of medical care and its economic and organizational mechanisms. The labour remuneration and the professional status of the people working in the sphere of medical care will increase, Mr Todor Zhivkov says.

He points out the important initiatives adopted to solve the ecological problems.

As regards the social insurance of the working people in the condition of the company-based organization the new regulatory documents have already been prepared, to solve the issues in this sphere. Every production and territorial community will gain rights to build powerful funds for social purposes.

In the intellectual sphere, Mr Todor Zhivkov points out, the same as in the social sphere and in economy, a versatile and consistent democratization is made and large scale openness and socialist pluralism is ensured.

The socialist state is ever more behaving as a state of self-managing social communities.

Noting that it is important now that the party and state leadership will engage with the fundamental problems, Mr Todor Zhivkov dwells on the necessity of changes in Bulgaria's Constitution and in the BCP Statute.

He says that revolutionary actions are needed now which will meet difficulties and oppositions from the point of view of the stereotypes, remnants of the past.

Analysing a number of concrete issues, the Bulgarian leader discusses the need of strategical structural changes in the economy. This concerns deep structural changes in all spheres, complexes and sectors of the economy, and new criteria which redirect the economy to the needs of man. Everything which does not work effectively for the country and the people, Mr Todor Zhivkov says, should be removed like by a surgical knife from the Bulgarian economy.

The report indicates that Bulgaria's cooperation with the socialist countries should be raised to a qualitatively new level and new types of cooperation should be sought, at the same time, with companies from the non-socialist countries.

The production and scientific and technological cooperation should be one of the basic principles for the structural reorientation of the economy, Mr Todor Zhivkov points out.

He lends special attention to the structural changes which should take place in electronics, metallurgy, chemistry and biotechnologies, etc.

A large part of the report deals with the problems of self-supporting in convertible leva, with the joint-stock principle, with the banks activities, with the export and import of capitals.

We should be duly prepared and should not delay the transition to the convertibility of the Bulgarian lev, an issue, which is widely discussed by the CMEA member states, the Bulgarian leader indicates.

He notes that the existing currency courses do not correspond to the real value of the lev and the value of the things which Bulgaria is producing and offering for export.

All our actions and aproaches should answer the question: Will we be competitive on the international market? Mr Todor Zhivkov indicates.

Speaking about the principle of joint-stock companies in the economy, the Bulgarian leader stresses that now without being pressed from the country the companies will not be able to act as joint-stock ones. That is why by economic levers, by administrative and economic means, the socialist state should direct the joint-stock type of concentration of capital: as investments, technologies, foreign currency, manpower, to where most promptly and efficiently the structural changes will start.

In a large section of the report about the role of banks and their activities in the new conditions, Mr Todor Zhivkov points out that in many respects the bank should be not only a coilaborator but an opponent to the government and take independent decisions. An impetus is needed of the restructuring in banking and the activities of the banks should come much closer to the companies and their subdivisions. The remnants of monopoly in the bank servicing of companies and citizens should be overcome.

There must be greater independence both of the central bank, as well as of all trade banks and there must be concrete steps aimed at the convertibility of the lev, Mr Todor Zhivkov says.

The issue of the import and export of capital is raised in the broadest sense in the report. This refers to the provision of conditions and adequate transnational forms for Bulgarian participation in the world market. At present the Bulgarian participation in similar transnational forms is connected mainly with trade, but this is extremely insufficient. The socialist state should play a particularly important role for the efficiency increase of the economic, techno-scientific, production and financial potential through its organized integration with world economy, Mr Todor Zhivkov says.

He stresses that in future all analysis of the state of economy, all proposals and developments should be concentrated in the government.

The Politburo thinks that the Council of Ministers, the social communities, including the territorial executive and instructing bodies should take ever more the necessary power, the respective rights and responsibilities, so that the problems will be solved. The Politburo of the Central Committee of the BCP should free itself from some operative functions, connected with the development and organization of the fulfilment of the tasks in the sphere of economy and in the other spheres.

Mr Todor Zhivkov dwells on the raising of the role of the National Assembly as a supreme body of power. The very model of the National Assembly has become outdated and it should be radically changed. In view of that there must be changes in the Constitution, on which work has already started.

In conclusion the Bulgarian leader says that the revolutionary restructuring in the country is possible only if the comparison with the home criteria is stopped and the world indices are faced.

Further on Economic Restructuring

AU2707085489 Sofia BTA in English 0802 GMT 27 Jul 89

["On Economic Restructuring"—BTA headline]

[Text] Sofia, July 27 (BTA)—Mr Todor Zhivkov called for a deep-going restructuring in all branches, complexes and fields of the national economy and for new criteria under which they should be judged and operated.

In a report which he delivered at a meeting of the Politburo of the Central Committee of the BCP on July 13, 1989, and which has now been released for publication, Mr Todor Zhivkov, secretary general of the Central Committee of the BCP and president of the State Council, stresses the need for a restructuring that would help upgrade the domestic market to a new level, tap new resources, achieve foreign exchange earning breakthroughs, give technologies a new backbone and change the Bulgarian economy's position in the international division of labour. The Bulgarian party leader and head of state declares himself in favour of radical measures to eliminate all economic inefficiencies.

The report examines questions concerning cooperation with the socialist countries, which should be upgraded to a qualitatively new level, and emphasizes the increasingly closer interaction with the Soviet Union. It also points to Bulgaria's readiness and desire to cooperate with Western companies.

"What matters most about these contacts is not to confine them to the narrow limits of the domestic requirements but to extend them to the scope of our new cooperation with the USSR and with the other socialist community countries," Mr Todor Zhivkov emphasizes.

The Bulgarian party leader and head of state discusses the priorities in the structural and technological development which should be addressed in a new way.

The report raises problems concerning the interrelation among the individual sectors. The multiplier approach, which was applied some ten years ago in the Bulgarian economy but only partially in some areas of mechanical engineering, should be re-adopted.

On Need for Convertible Lev

AU2707094189 Sofia BTA in English
0805 GMT 27 Jul 89

["On the need of a Convertible Lev"—BTA headline]

[Text] Sofia, July 27 (BTA)—Bulgaria should take prompt action for a transition to convertibility of her national currency, the lev.

In a report which he delivered at a meeting of the Politburo of the Central Committee of the BCP on July 13, 1989, and which has now been released for publication, Mr Todor Zhivkov emphasizes that if nothing is done right now about the lev's convertibility, it would be impossible to bring prices in Bulgaria into line with international market prices.

The secretary general of the Central Committee of the BCP and president of Bulgaria's State Council sees the lev's convertibility as a way to give scope to competition, to break monopolism and to cope once and for all with the shortage of raw materials, goods and services.

"The profit motive, starting from the individual profit motive, will not work unless Bulgarian workers receive part of their labour remuneration in internally convertible leva," Mr Todor Zhivkov says. "In Bulgaria, internally convertible leva would be accepted in payment for imported goods and would be exchangeable at an appropriate rate for any foreign currency needed for travel at any time and anywhere abroad."

The report considers the opportunity of companies getting part of their profit in internally convertible leva, which would serve as an export incentive and would help their own efficient reproduction.

Convertibility will help analyse correctly the national economy and choose the right priorities for restructuring.

On Banks' Role to Politburo

AU2707095389 Sofia BTA in English
0815 GMT 27 Jul 89

["On the Role of the Banks"—BTA headline]

[Text] Sofia, July 27 (BTA)—In a report which he delivered at a meeting of the Politburo of the Central Committee of the BCP on July 13, 1989, and which has now been released for publication, Mr Todor Zhivkov, secretary general of the Central Committee of the BCP and president of the State Council, analyses the role of the banks and their activity under the new conditions.

Mr Todor Zhivkov points out that the company-based organisation gives the Bulgarian economy a fundamentally new structure. He stresses the need for a further reorganization of banks with a view to turning them into "a major factor of restructuring, of changing things for the better in foreign currency availability and of streamlining the budget."

What is needed is more leeway both for the central bank and for all commercial banks, as well as appropriate specific steps towards convertibility of the Bulgarian lev, he says.

A new step should be taken towards overcoming the vestiges of monopolism in the banking of companies and individuals. In Mr Todor Zhivkov's view, banks have now "usurped sweeping control functions in contravention of the economic activity decree," which lays down the basics of a company-based economy.

The report finds that banks have yet to abandon the methods of operation by administering and decree and, as a result, "it is the bank itself and the state which stand to lose, resources are tied up in inefficient productions, credits are turned into subsidies, etc."

Mr Todor Zhivkov indicates that under the new conditions, banks should be partners and opponents of the governments and should be granted independent decision-making powers. "Otherwise, we will be only paying lip service to credit controls and the bank will remain a cashier of the state," he says.

It has been suggested to reform 130 of the existing branches of the Bulgarian National Bank into some 60 independent joint stock commercial banks. In future, all banks will have the right to allocate funds at interest instead of depositing their liquid assets with the Bulgarian National Bank, as they were required to do so far.

Both the new and the existing commercial banks should widen the scope of their business by acquiring the right to grant companies short-, medium- and long-term loans in Bulgarian leva and, apart from that, to provide day-to-day banking services on their accounts and settlements in national currency.

The banks are expected to enhance their control functions "because the new structure and functions of the banks open up a realistic opportunity for companies to choose freely the banks that would provide them with comprehensive services."

Mr Todor Zhivkov points out that it should be decided whether interest on all credits should be paid by companies from their production costs or from their pretax profits. The idea is to give companies an incentive to use bank credits economically and efficiently. If this is decided, along with everything listed above, foreign companies, too, will be placed on equal terms when they operate in Bulgaria, Mr Todor Zhivkov emphasizes.

He stresses the need for a "strong central bank and for independence and competition among commercial and joint-stock banks which should merge with the companies and should fight for the companies' survival and for their own survival."

On Joint Stock Companies

AU2707095589 Sofia BTA in English
0819 GMT 27 Jul 89

["On Joint Stock Companies"—BTA headline]

[Text] Sofia, July 27 (BTA)—Mr Todor Zhivkov believes that using economic levers and administrative and economic regulators, the socialist state should channel the stock-holding concentration of capital (in the form of investment, technologies, foreign currency and manpower) in the areas where restructuring will make the most rapid and productive progress.

In a report which he delivered at a meeting of the Politburo of the Central Committee of the BCP on July 13, 1989, and which has now been released for publication, Mr Todor Zhivkov, secretary general of the Central Committee of the BCP and president of the State Council, points to the need to create appropriate economic conditions to reform the companies along stock-holding lines, to stimulate the flow of capital and to provide sufficient guarantees for the participation on equal terms of the various companies in the management of socialist property in the stock-holding mechanisms. The capitalization of stock-derived incomes to the detriment of society is inadmissible, just as all other actions abusing the profit motive.

The stock-holding principles, Mr Todor Zhivkov goes on to say, should be synchronized with other new documents, including plans for the establishment of a new corporate fund organisation for social security at a nationwide level and territorially, for income tax formation, for the intercompany movement of manpower and for a mechanism of retraining.

On Capital Movement

AU2707085689 Sofia BTA in English
0820 GMT 27 Jul 89

["On Capital Movement"—BTA headline]

[Text] Sofia, July 27 (BTA)—In a report which he delivered at a meeting of the Politburo of the Central Committee of the BCP on July 13, 1989, and which has now been released for publication, Mr Todor Zhivkov, secretary general of the Central Committee of the BCP and president of the State Council, considers the import and export of capital as an important element of the comprehensive approach to the problems of the economy's structural strategy, to the transition to convertibility of the Bulgarian lev and to the promotion of the stock-holding principle and of the banks' activity.

Mr Todor Zhivkov points out the discrepancy between the wide-open character of the Bulgarian economy and lack of a market of raw materials and means of production.

He says that conditions and appropriate supra-national forms should be created for Bulgaria's entry in the world market. These new forms should operate as industrial and financial groups and should integrate the efforts and the interests of manufacturers and banks.

The state's policy should be directed at "setting in motion corporate and banking interests for their active participation in the supra-national associations" with a view to creating conditions to channel capital movement into the crucial areas which should help bring about the desirable restructuring of the Bulgarian economy.

The socialist state should play a particularly important role in raising the efficiency of our economic, technoscientific, production and financial capability through its organized integration into the world economy, Mr Todor Zhivkov emphasizes.

On Government, Parliament Functions

AU2707090089 Sofia BTA in English
0832 GMT 27 Jul 89

["On the Functions of the Government and the National Assembly"—BTA headline]

[Text] Sofia, July 27 (BTA)—The Politburo of the Central Committee of the BCP will devolve some day-to-day functions linked with the economy and with other spheres. The Council of Ministers and the social communities, including the executive bodies of the units of territorial administration, will be increasingly taking over the power and the appropriate rights and responsibilities, said Mr Todor Zhivkov, secretary general of the Central Committee of the BCP and president of the State Council, in a report delivered at a meeting of the Politburo of the Central Committee of the BCP on July 13, 1989 which has now been released for publication.

He said that the ministries concerned with economic activity, the banks and other organisations and departments had recently set up an economic activity coordination bureau. The government should be the nerve centre directing all economic processes. There is no longer a need for an operative headquarters on economic affairs to function with the Politburo of the Central Committee of the BCP. In future the Politburo will meet periodically to consider reports on economic development.

In Mr Todor Zhivkov's view, the Council of Ministers will have to work out a specific programme to solve the problems raised at the meeting of the Politburo of the Central Committee of the BCP and concerning economic restructuring, the convertibility of the national currency, the new role of the banks, the joint-stock companies, and capital movement. Appropriate action should be taken within two or three months. It is suggested that by the end of the year the government should set forth its position on the pressing economic problems in a statement submitted to the National Assembly. Mr Todor Zhivkov makes a special point of the need to upgrade the role of the National Assembly as a supreme body of power. He says that the very model of the National Assembly is outdated and should be radically changed. Constitutional amendments drafts are in preparation as the entire legal system must be reformed, the Bulgarian leader says.

Zhivkov Greets European Parliament President

AU2607173089 Sofia BTA in English
1718 GMT 26 Jul 89

[Text] Sofia, July 26 (BTA)—Mr Todor Zhivkov, president of the State Council has sent Mr Enrique Baron, president of the European Parliament a cable in relation to his appointment to this post.

The cable expresses hope that with its new members, the European Parliament will contribute to the complete development of relations of peace, mutually advantageous cooperation, friendship and understanding between peoples and states in our continent in their efforts to build our common European home.

The People's Republic of Bulgaria is willing and ready for a busy and good intentioned dialogue with the European Parliament and its president, the cable says.

Zhivkov Sends Greetings to OAU Conference

AU2607115389 Sofia RABOTNICHESKO DELO in Bulgarian 25 Jul 89 p 1

[Greetings message by Todor Zhivkov, general secretary of the Central Committee of the Bulgarian Communist Party and State Council chairman, to the 25th OAU Conference in Addis Ababa: "Solidarity With the Struggle of the African Peoples"]

[Text] Todor Zhivkov, chairman of the State Council, has sent a message to the 25th OAU Conference in Addis Ababa, which reads:

On behalf of the State Council of the People's Republic of Bulgaria and on my personal behalf I would like to address most cordial greetings to the participants in the 25th OAU Conference.

The Bulgarian public follows the work of this authoritative forum of the African states with interest and respect.

Bulgaria's traditionally friendly relations with the African peoples already date from the period of their struggle for national independence. Our cooperation has been constantly strengthening and developing in recent years.

Implementing a great task in resolving the African problems, the OAU turned into an important factor in the struggle to liberate Africa, and became an active participant in international life and a champion of its democratization.

The present conference is called upon to continue and enrich the OAU's positive tendencies and contribute to asserting the positive changes in international relations, which are taking place under the influence of the new political thinking. We believe that it will cooperate in enriching the contents of the disarmament process and resolving regional conflicts through peaceful means, along the road of negotiations. The decisions of the conference on regulating the situation in the African south and, more specifically, on fully implementing Resolution 435 of the UN Security Council on giving independence to Namibia and eliminating apartheid will have special importance.

The national and international programs on developing Africa which were worked out in recent years eloquently proved the necessity of united and coordinated efforts to solve the problems of economic progress, foreign debts, the growth of democracy, and the ecological situation, as well as many other aspects of life in Africa.

I would like to confirm that the People's Republic of Bulgaria firmly and consistently supports the legal demands of the African states and peoples, and will continue to express its solidarity with them.

I wish your forum fruitful and successful work in implementing the OAU's noble goals and ideals for African unity, strengthening peace, security, understanding, and cooperation in the world.

Bulgarian-Turkish Road Transportation Session

AU2607135289 Sofia BTA in English
1337 GMT 26 Jul 89

[Text] Sofia, July 26 (BTA)—The leaders of the Association of Bulgarian International Road Transport Enterprises (A.E.B.T.R.I.) and of the Association of Turkish Long-Haul Operators (U.N.D.) held a regular meeting here. They surveyed the state and the problem of cargo road haulage between the two countries and the measures needed to facilitate and liberalize it.

The leaders of the two associations conferred with Mr Konstantin Glavanakov, deputy minister of foreign economic relations.

RUDE PRAVO Rejects Solidarity-Proposals

LD2707081489 Prague CTK in English 0619 GMT 27 Jul 89

[Text] Prague July 27 (CTK)—Participants in all the meetings held by Solidarity representatives in Czechoslovakia, as well as their protectors in some Western countries, "sought ways of jointly forcing our country to reforms of the Polish type, to economic anarchy which would make it easier to carry out the ultimate intentions of the opposition, i.e. to destroy socialism," RUDE PRAVO wrote today on this week's visit.

The paper said that in meetings with some leading so-called Charter signatories, Solidarity and its Czechoslovak supporters pursued the aim of reassessing the period of the end of the 1960's in Czechoslovakia. "However, we have no reason to reassess those events," the paper emphasized. "We need no lessons from Michniks, Bujaks, etc. It is rather them who, being co-responsible for the development in Poland, should give a thought to a way to get out of the situation to which they made no small contribution in Poland."

"We do not accept the reforms which they so warmly recommend and which should lead to disruption," RUDE PRAVO stressed. "It is too soon for the gentlemen from Solidarity to lecture to us when they have not achieved anything yet," the paper concluded.

Report on CPCZ Presidium Session Discussions

AU2407155089 Prague RUDE PRAVO in Czech 22 Jul 89 p 1

["Report From CPCZ Central Committee Presidium Session"]

[Text] Prague—At its Friday [21 July] session the Communist Party of Czechoslovakia [CPCZ] Central Committee Presidium discussed bills on banks and savings banks, a foreign currency bill, a bill on levies for the state budget, and a bill on income tax. All of these bills are closely associated with the comprehensive restructuring of the economic mechanism. The restructuring of the Czechoslovak banking system will be legislatively guaranteed by the passing of three bills which are mutually dependent on each other: a bill on the Czechoslovak State Bank, a bill on banks and savings banks, and a foreign currency bill. This legal revision replaces the outdated and complicated revision of Czechoslovak banking to date, which is now contained in a series of different laws.

As far as the bill on levies for the state budget is concerned, it ranks among the main legal regulations which implement the concept of the restructuring of the economic mechanism. It lays down the rules according to which the generated financial resources are divided between society and the enterprises. It demarcates the intrinsic resources of the enterprises which create the foundations of their management by economic accountability and self-financing and the conditions for the generation of their own resources which will be more homogeneous than up until now. It lays down society's financial resources which along with other taxes (turnover taxes, levies from the population, and so on) will make provision for society's financial needs. The Presidium took note of the submitted proposal.

The CPCZ Central Committee Presidium became acquainted with an analysis of the main information resulting from dealing with complaints, letters of advice, and suggestions lodged by citizens at state and economic organs and organizations in the CSSR in 1988. For an evaluation of the period it is characteristic that a drop was noted in the number of complaints lodged at all the vital organs and organizations of the Federation, the Czech Socialist Republic [SR], the Slovak SR, and in the individual spheres which are the subject of the complaints. However, the factual orientation of the complaints has not changed in substance. The most numerous, and for the greater part, most justified, of the citizens' criticism still concerns conditions in organs and organizations, in supplies and the problems of trade, in housing management, in the maintenance of the housing stock, and in transportation. The CPCZ Central Committee Presidium took note of the measures which the CSSR Government adopted on 13 July and set CPCZ Central Committee departments the task of using the analysis for the consistent control of the implementation of these measures.

It also made note of a report presented by Comrade Ladislav Adamec, CSSR premier, on his talks with Miklos Nemeth, Hungarian premier, and it expressed its agreement with the Czechoslovak side's course of action. The public was informed in the press about the talks which are to be continued.

The Presidium also discussed measures to improve the quality of food and to modernize and reconstruct the food industry, including the provision of packaging material and packaging technology for the period of the Ninth 5-Year Plan.

It also took note of the separation of the Czechoslovak Foreign Institute from the control of the CSSR Ministry of Foreign Affairs and its establishment as a voluntary social organization.

It voiced its approval of the report presented by Comrade Milos Jakes, general secretary of the CPCZ Central Committee, and Comrade Gustav Husak, CSSR president, on their talks with Jose Eduardo Dos Santos, chairman of the MPLA [Popular Movement for the Liberation of Angola]—Party of Labor and president of the Angolan People's Republic. The Presidium also took note of the talks between Comrade Jan Fojtik, member of the Presidium and secretary of the CPCZ Central Committee, and Marian Stepien, secretary of the Polish United Workers Party Central Committee.

The Presidium further took note of a report on the course and results of a working visit made by Hans-Dietrich Genscher, FRG foreign minister, to the CSSR on 12-13 July.

Kuzel Discusses Citizens' Letter on Petition

AU2707121489 Prague RUDE PRAVO in Czech 26 Jul 89 p 1

[Interview with Jaroslav Kuzel of the CPCZ Central Committee propaganda department by Marie Boudova in Prague on 25 July: "The People Want to Live and Work in Peace; Letters From all Over the Republic Sent to the CPCZ Central Committee"]

[Excerpts] Prague (From our own correspondent) —The contents of the Few Sentences appeal, which was addressed by its authors, from among the ranks of the Charter and other illegal groups, to the Czechoslovak public through the medium of Radio Free Europe, are still the object of our citizens' attention. This is borne out by letters sent to RUDE PRAVO's editorial office as well as the viewpoints and resolutions reaching the Communist Party of Czechoslovakia [CPCZ] Central Committee. On Tuesday [25 July], we talked about this with Comrade Jaroslav Kuzel of the CPCZ Central Committee propaganda department.

"To date the CPCZ Central Committee has received 9,500 viewpoints on the Few Sentences appeal, as well as on the activity of the Charter and other illegal groups. Members of working collectives, brigades of socialist labor, and CPCZ primary organizations are writing to us. The participants of various party and economic aktivs and public gatherings, National Front social organizations, the national committees, members of the People's Militia, the Czechoslovak People's Army, and so on are receiving letters addressed to the CPCZ Central Committee. Letters are coming in from old members of the party and from people without any political allegiance. Represented in them are people from practically all walks of life and all spheres of the national economy, industrial and agricultural enterprises, business, services, transportation, health care, education, and the cultural sphere, that is, from the whole of our homeland."

[Boudova] What are the contents of these letters?

[Kuzel] Disagreement with the Few Sentences appeal and condemnation of the activities of the illegal groups. The people are demanding a firmer course of action against those who would like to introduce unrest into society and disrupt the stability of our socialist development. Many of the letters refer to the fact that behind the illegal groups' "campaigns" the names of those with whom we already have experience are still turning up and that many of them are directly associated with anti-socialist activity in the years 1968-69. They are taken aback, of course, by some of our artists' signatures which appear at the bottom of the Few Sentences Appeal. They are asking whether these people can appreciate the conditions which our society has provided for them so that they can realize their capabilities, talents, and creative powers in such an attractive profession. The viewpoints and resolutions have one common denominator: They recall Gottwald's slogan—we will not allow the Republic to be subverted. [passage omitted]

[Boudova] What, then, is borne out by the letters and resolutions sent by the working people to the CPCZ Central Committee?

[Kuzel] These letters bear out that the people want to live and work in peace, and that they want to have the guarantee that the results of their labor will be to the benefit and welfare of our socialist homeland. They demand and expect from the CPCZ Central Committee that these conditions in society, conditions for the successful fulfillment of the tasks of restructuring, will be guaranteed.

CPCZ Delegation Departs for Mozambique 23 Jul

AU2607093989 Prague RUDE PRAVO in Czech 24 Jul 89 p 2

["(Z)"-signed report: "CPCZ Delegation Departs for Mozambique"]

[Text] Prague—A Communist Party of Czechoslovakia [CPCZ] delegation headed by František Hanus, secretary of the CPCZ Central Committee, departed on Sunday [23 July] for Mozambique to attend the Fifth Frelimo [Front for the Liberation of Mozambique] Party Congress. At Ruzyne Airport, Jan Siroky, head of a CPCZ Central Committee department, bade farewell to the delegation.

Fires in Slovakia Following Harvest Cause Damage

AU2607112889 Bratislava PRAVDA in Slovak 25 Jul 89 p 2

[CTK report: "Harvest Fires"]

[Excerpt] Bratislava—Twenty-five fires in harvested crops and 24 fires in animal feed have already broken out in Slovakia, which between them have caused damage totaling Kcs2.2 million. [passage omitted]

GDR Plans To Ban Trips to Hungary Reported

AU2507184189 Vienna DIE PRESSE in German 25 Jul 89 p 2

["chs," "ag" report: "GDR: No More Trips to Hungary as of September?"]

[Text] Vienna—Despite official denials from East Berlin, Western circles in Vienna insist that the GDR is about to introduce massive restrictions concerning GDR citizens travels abroad. According to this information, GDR citizens will no longer be allowed to travel to Hungary as of 1 September. Cases have been reported in which travel permits have been withdrawn. The GDR wants to prevent its citizens from traveling to the FRG via Hungary and Austria. The news of the removal of the Iron Curtain between Austria and Hungary has spread like wildfire in the GDR.

Last weekend [22-23 July] an unprecedented number of GDR citizens fled to Austria across the Hungarian border. According to the security office of Burgenland province, 37 persons fled across the border between Friday [21 July] and Monday [24 July]. Since Hungarian authorities started to dismantle the Iron Curtain along its border with Austria, a total of 152 GDR refugees have been registered. According to Hungarian sources, 600 were caught while trying to escape. Bonn has appealed to GDR citizens to stay in their country, and pointed out the danger of attempts to escape.

Honecker, Stoph Greet Castro on Anniversary

AU2707075889 East Berlin NEUES DEUTSCHLAND in German 26 Jul 89 p 1

[ND report: "GDR Stands Firmly at the Side of the Cuban People"]

[Text] East Berlin—Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany [SED] and chairman of the GDR State Council, and Willi Stoph, chairman of the GDR Council of Ministers, have sent the following congratulatory telegram to Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, chairman of the State Council, and chairman of the Council of Ministers of the Republic of Cuba:

Dear Comrade Fidel Castro:

On the occasion of the 36th anniversary of the National Uprising, we convey to you, the Central Committee of the Communist Party of Cuba, the State Council, and the Cuban Council of Ministers, as well as to all Cuban working people fraternal militant greetings from the SED Central Committee, the State Council, the Council of Ministers, and the people of the GDR.

We are linked by the joint struggle for the welfare of our peoples, for the strengthening of socialism, and the safeguarding of peace. The forthcoming congresses of the two fraternal parties will again give evidence of this.

Rest assured, dear Comrade Fidel Castro, that the GDR will continue to firmly and reliably stand at Cuba's side, in line with the treaty on friendship and cooperation, and will work with all its strength to deepen the fraternal relations.

We wish you and all Communists and citizens of Cuba further success in the building of socialism, as well as good health and creative energy.

Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council; Willi Stoph, chairman of the GDR Council of Ministers.

'Arafat Message Highlights Bucharest Summit

LD2707030989 East Berlin ADN International Service in German 1657 GMT 26 Jul 89

[Text] Berlin (ADN)—Yasir 'Arafat underlines in a message to Erich Honecker that the socialist states reiterated the rights of the Palestinian people at their latest summit in Bucharest.

The president of the State of Palestine and chairman of the PLO Executive Committee refers in his letter to general secretary of the Central Committee of the SED, [Socialist Unity Party of Germany] chairman of the GDR's Council of State, Erich Honecker, to the statements made by the summit on the Middle East, in which the right of the Palestinian people to the creation of its independent state, the right to self-determination and the need to convene an international Middle Eastern peace conference had been underlined.

This statement by the Bucharest summit strengthened the chances of creating a just and permanent peace in the Middle East by indicating the international peace conference as the best means of implementing a negotiated solution. It opposes the illusory plans, such as the plan for elections submitted by the Israeli Government with the help of the U.S. Administration, which are designed to improve the image of the occupation and replace the international conference, Yasir 'Arafat writes.

The Bucharest summit took place at a time when there had been a dangerous escalation of the suppression and organized state terror on the part of the Israeli occupation authorities through intensifying the iron fist policy, through the escalation of murder attacks and acts of violence, through arrests and expulsions, through the destruction and barricading of homes, the imposing of curfews, and the sealing off for days of villages, camps, and towns. This is accompanied by a food shortage and worsening of the health service and other vital facilities as well as, for the second year running, the closing of schools, universities, and kindergartens.

The decisions of the summit were thus a reaffirmation of support vis a vis the Palestinian people in its just struggle and its heroic intifada, thereby strengthening its determination to continue this just struggle to end the occupation and for the creation of its independent state with Jerusalem as the capital.

Honecker Congratulates OAU Chairman Mubarak
AU2707085389 East Berlin NEUES DEUTSCHLAND in German 26 Jul 89 p 2

[ND report: "Congratulations to the New OAU Chairman"]

[Text] East Berlin—Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany [SED] and chairman of the GDR State Council, has sent the following congratulatory telegram to Muhammad Husni Mubarak, president of the Arab Republic of Egypt and OAU chairman:

I convey to you cordial congratulations on your election as OAU chairman.

In the GDR the steadfast commitment of the OAU to peace, disarmament, and development, as well as to the peaceful settlement of conflicts on the African continent is highly appreciated.

The GDR supports the initiated process for the independence of Namibia and is strongly committed to overcoming apartheid in South Africa. The efforts of the OAU and its member states to solve the problems of economic and social development are constantly gaining in importance for peaceful international relations and these efforts need the support of all states.

The GDR will continue to attribute great importance to cooperation with the OAU.

Please accept my best wishes for the successful exercise of your high function and for your well-being.

Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council.

Honecker Sends Greetings to Italy's Andreotti
AU2607160289 East Berlin NEUES DEUTSCHLAND in German 25 Jul 89 p 1

[ND report: "Erich Honecker Congratulates Giulio Andreotti; Best Wishes on Appointment as New Italian Prime Minister"]

[Text] Berlin (ND)—Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany [SED] and chairman of the GDR State Council, has conveyed the following greetings telegram to Giulio Andreotti, prime minister of the Italian Republic, in Rome:

I convey to you most cordial congratulations on your appointment as prime ministers of the Italian Republic, to which I add best wishes for successful work in your high office and for your personal well-being.

I am convinced that the further development of the tested political dialogue and the good relations between the GDR and the Italian Republic will serve the benefit of our states and people and contribute to secure peace and trustful cooperation on our continent.

Erich Honecker,
General secretary of the SED Central Committee and chairman of the GDR State Council.

Daily Commentary Criticizes FRG 'Revanchism'
AU2707084489 East Berlin BERLINER ZEITUNG in German 25 Jul 89 p 2

[Dieter Dietzel commentary: "Our Duty for Peace at a Sensitive Border"]

[Text] In 1989 both German states have been in existence for 40 years. With their differences—belonging to different social systems and to different alliances—they are part of the European realities which no sensible politician wants to dispute or change. Nevertheless, the call issued by the eighth session of the Central Committee of the Socialist Unity Party of Germany to take a realistic view of the facts that have developed as a result of World War II and of the postwar development is highly topical. This became extremely clear when two FRG ministers—Finance Minister Waigel and Mrs Wilms—announced that the German Reich continues to exist within the borders of 1937 and that this is the official legal standpoint of the FRG.

Of course, this is illusiory and removed from any reality. "Skeletons squeeze out of their graves and make ghostly noises," wrote STERN magazine, which is published in Hamburg, in this connection. And it added that Waigel is the spokesman for mummies.

Well put and probably well intentioned. However, these ghosts do not flee at the first toll of the bell, and they have the rank of ministers. Like some others who agree with them, such as FRG Government spokesman Klein and Hessian Minister President Wallmann.

What they are saying is not only dubious but, above all, dangerous. Insisting on an imaginary German Reich does not only mean not respecting the GDR's sovereignty, but is at the same time an imaginary claim to Polish and Soviet territories, thus calling into question in an irresponsible way the postwar order and stability in Europe that has developed historically.

This relapse into gross revanchism is certainly not an individual case. Debates about the border are fashionable in the FRG. The international legal nature of the

border between the GDR and the fRG is under contention, GDR citizenship is not recognized, the FRG even pretends it has a duty to take care of all Germans. The talk about "keeping the German question open" and about "reunification" also belongs to this. This is also the soil where neo-Nazism flourishes.

In contrast to this, the joint communique agreed upon by the two German states in 1987 proceeds from the premise that the inviolability of the borders and the respect for territorial integrity and sovereignty of all states in Europe in their current borders are a fundamental condition for peace.

Entirely in this spirit, the GDR is in favor of continuing to put the safeguarding of peace at the center of relations between the two German states. The border between the GDR and the FRG—the dividing line between the Warsaw Pact and NATO—is probably the most sensitive border in the world. By facing the FRG, we are faced with one of the strongest Western powers in the economic and military fields. Enormous amounts of nuclear and conventional weapons are stationed at this border, heaped up like in no other place on our planet. Therefore, we have good reason to consider the core of political dialogue to be the promotion of the process of disarmament and detente, the establishment of trust in this way, and the striving to completely normalize state relations.

Like the GDR, in its 40th year the FRG also has the duty to make sure that war will never again start from German soil. Many festive speeches made on the other side of our border express a commitment to this. And there are forces of reason and realism which honestly and militantly advocate this position, in all circles of the population of our neighboring country. Debates about the border, on the other hand, which are disquieting not only to us but to all of Europe, raise the question of the FRG Government's real attitude in practical policy toward today's realities in Europe.

UN Resolution on Development Aid Initiated

AU2707074989 East Berlin NEUES DEUTSCHLAND in German 25 Jul 89 p 1

[ADN report: "ECOSOC Calls for Effective Aid to Developing Countries"]

[Text] Geneva (ADN)—On Monday [24 July] the UN Economic and Social Council (ECOSOC) called on all UN organizations to provide effective support to the developing countries for the promotion of human resources. Aid has to be concentrated on the implementation of the national economic and social programs, says a resolution which was adopted at the ECOSOC session in Geneva and which had been initiated by the GDR.

In substantiating the resolution, GDR spokesman Guenter Schumann pointed out that the 40 years of stable and dynamic development of the GDR are in large part due to the purposeful development of its human resources. This insight is also the basis of its cooperation with the developing countries. Aid for the development of their socioeconomic infrastructures is a firm part of the GDR's foreign economic policy. Since 1970 about 26,000 GDR experts—including teachers, doctors, and vocational training experts—have worked in the developing countries. More than 96,000 citizens of these countries have received vocational training in the GDR during the same period, Schumann said.

Krenz Opens Children's and Youth Spartakiad

AU2607155089 East Berlin NEUES DEUTSCHLAND in German 25 Jul 89 p 1

[ADN report: "12th Children's and Youth Spartakiad Opened; Great Test for Best Athletes"]

[Excerpt] Berlin (ADN)—The 12th GDR Children's and Youth Spartakiad in summer sports was opened in Berlin on Monday evening [24 July]. Approximately 11,000 young athletes from all bezirks of the Republic attended the festive ceremony in the Lustgarten on Marx-Engels Square. They welcomed Egon Krenz, member of the Politburo, secretary of the Central Committee of the Socialist Unity Party of Germany [SED], and deputy chairman of the GDR State Council, and other personalities with cordial applause.

Egon Krenz conveyed cordial greetings from Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council. The party and state leadership wish you best success in the competitions and all participants in the spartakiad eventful hours in our capital Berlin, Egon Krenz said. He declared the GDR children's and youth spartakiad opened. [passage omitted]

Nyers Cites Gorbachev on 'Crises Phenomena'

LD2607123989 Budapest Domestic Service in Hungarian 0650 GMT 26 Jul 89

["Foreign Political Observer" program presented by Miklos Martin-Kovacs]

[Excerpts] [passage omitted] The Soviet Union has to carry out an extraordinarily multifaceted foreign policy while that huge country must expect a good number of crisis phenomena at home. Rezso Nyers, on the plane home from Moscow, has described the way Mikhail Gorbachev has assessed the situation in the Soviet Union.

[Begin recording] [Nyers] Gorbachev described the situation within the Soviet Union as critical in several regards, but did not say that the Soviet Union is in a great, all-encompassing crisis. He sees primarily the situation of the consumer market as most unfavorable—I could almost even say critical. Very serious measures are being introduced. Furthermore, local crises have developed from the survival of the state bureaucracy in many areas. He categorized as such the strike situation in the Donbass region and in Kuznetsk, and this is how he also described the national minority problem in Georgia. They also consider as very problematic the situation in the Baltic states, which is much more complex.

In other words, there are such local crises—they take this very seriously. He then spoke about the relations within the party, the national consultation of party representatives which was held a few days ago where the internal situation was also evaluated in a very critical manner from the party, the CPSU's viewpoint. Evidently they are prepared for this, so they are not simply shocked by it—the CPSU, the party, is already a party possessing a problem-sensing or problem-dealing method. They are not floored and they are not paralyzed by a local crisis. [passage omitted]

[Unidentified reporter] How did the Soviet partners react to the briefing on the problems relating to Transylvania, the Magyars in Transylvania?

[Nyers] Regarding the Romanian-Hungarian national minority problems, Comrade Gorbachev and the CPSU's leadership regard the issue as a Hungarian-Romanian affair. This is the first thing which we must take into account. In other words, they want neither to have a say nor to form a judgement, and they do not feel themselves to be entitled to do so. Beyond this, I informed Gorbachev about the Hungarian position; we do not want to obtain unilateral favors but a situation which is deserving by the national minorities in Romania, including Hungarians, on the basis of the universal human rights adopted by every progressive country and the United Nations. The Soviet side displayed understanding in this regard.

[ESTI HIRLAP reporter] On behalf of ESTI HIRLAP I ask whether the forthcoming Hungarian election and the potential election chances had been discussed.

[Nyers] I gave our view about the current by-elections. They acknowledged this—the future chances were not discussed.

[Reporter] Would you expound upon your views on the current by-elections?

[Nyers] I do not consider these as a model of future elections—these were rather unique ones. I do not consider them as model from the point of view of the preparation of the Hungarian Socialist Workers Party either. There are warning signals in these four elections—we assessed them critically, self-critically, before we left Budapest. But let that be our own internal affair. [passage omitted] [end recording]

Further on Nyers, Gorbachev Talks

LD2607221289 Budapest Television Service in Hungarian 1730 GMT 26 Jul 89

[Text] The Soviet miners' strike shows not just signs of economic crisis but also those of political crisis. The fulfilment of the demands, or a large part of them, is only momentary help. For a genuine solution of the problem a prosperous Soviet economy is necessary, which, in the best instance, is in the future. It was not by chance that the Soviet miners' work-stoppage was discussed at yesterday's Soviet-Hungarian summit meeting. En route from Moscow to Hungary, Istvan Sandor asked Rezso Nyers about this. By the way, you will hear a lengthier conversation with the Hungarian Socialist Workers Party President in "The Week" program on Sunday [30 July].

[Begin recording] [Sandor] This visit took place at a rather critical period for the Soviet leadership; at the time of the talks, strikes were taking place at a good number of places, the most severe criticism to date of the Gorbachev economic-social policy. How did Gorbachev judge these phenomena and what solutions did (?you) propose?

[Nyers] Gorbachev was of the view that the issue is not a criticism of the Gorbachev policy, but that the workers have taken steps because the Gorbachev policy is not reaching their regions—it is not reaching the miners in a concrete way. In essence, everything remains unchanged, in the mining regions, from the old system of management, from the overly large associations, from the role of managers who can only be seen by miners at a distance, and they felt that decisions were being taken over their heads, about nearly everything.

[Sandor] Does this mean that the stratum of middle-level leaders has sabotaged the Gorbachev decisions?

[Nyers] Gorbachev did not say the word sabotage; I believe that it is not merely a matter of sabotaging, but of this stratum of middle-level leaders not being able to find

the path for independent action so that in their own areas they can do independent reforms. Of course, in part it depends also on the central ministries. For example it is the scope of jurisdiction of the central ministries to dissolve associations into independent mining enterprises. Now, however, Gorbachev's team has decided to do this. [end recording]

Private Businessmen Seek Shares in U.S. Aid

LD2607195789 Budapest MTI in English
1016 GMT 26 Jul 89

[Text] Budapest, July 26, 1989 (MTI-ECONEWS)—Hungarian private businessmen are taking a keen interest in the $25 million fund promised by President George Bush on his visit to Hungary, but they have not yet established on what terms they might gain access to the fund.

The Hungarian Private Entrepreneurs' Organization (KIOSZ) has already received some twenty requests for grants. The deputy secretary-general of KIOSZ Mr Miklos Karolyi said the bidders are mainly in the areas of engineering and medical instrument manufacture.

The industrial cooperatives also intend to claim a share of the fund, said KIOSZ President Mr Lajos Koveskuti. Since a recent regulation making possible the division of either half or the entire assets of industrial cooperatives, members have the right to sell freely their share of the business. Cooperatives therefore now consider themselves to be also part of the private sector.

KIOSZ says many Hungarian industrial cooperatives are in a position to set up joint ventures with small and medium-sized US companies, and the fund could well be used to promote this.

The president of the National Association of Private Entrepreneurs Mr Janos Palotas says urgently clarification is needed on how the money is to be distributed and on how Hungarian and Western banks could contribute further to the fund.

EC Delegation Begins Talks on Western Aid

LD2607201789 Budapest MTI in English
1052 GMT 26 Jul 89

[Text] Budapest, July 26, 1989 (MTI-ECONEWS)—A four-member delegation of the EC commission opened talks in Budapest on Wednesday. The EC fact-finding mission led by Mr Adrian Fortescu, director of the General Secretariat of the EC Commission, arrived in the Hungarian capital Tuesday evening.

During the talks, to run until Thursday afternoon, the delegation wants to collect information from the Hungarian partners which they will then submit to an international conference to meet in Brussels in early August on what assistance the West should give to Hungary and Poland.

A Hungarian Foreign Ministry official said the delegation opened talks in the Ministry of Trade Wednesday morning. Hungary is pushing for the earliest possible implementation of the agreements between Hungary and the EC, and the removal of quantitative barriers to Hungarian exports to EC markets.

Secretary of State for Foreign Affairs Laszlo Kovacs is going to meet the EC delegation later today to give them details on the proposals, demands, and expectations of the Hungarian Government.

On the last day of their visit the delegation is scheduled to have talks with representatives of the National Bank of Hungary, the Ministry of agriculture and the Ministry of Finance.

Delegate Notes Increasing Trade With Austria

AU2507180389 Vienna DIE PRESSE in German
24 Jul 89 p 8

[APA report: "Trade With Hungary Has Been Intensified"]

[Text] Vienna—After years of decline and stagnation, foreign trade activities are increasing again this year. This was announced by Deputy Hungarian Trade Delegate Matyas Loidl.

During the first 5 months of this year, Austrian exports to Hungary involved 3.14 billion schillings, which corresponds to an increase by 33.6 percent over the same period last year. Hungarian exports amounted to 2.9 billion schillings, which corresponds to an increase of 31.6 percent.

The percentage of products from the processing industry has increased significantly. Despite this tendency, however, 70 to 80 percent of the Hungarian products exported to Austria are raw materials or semi-finished products, the Hungarian trade delegate pointed out.

Prisoner Burns Himself to Death in Protest

AU2707095889 Paris AFP in English
0940 GMT 27 Jul 89

[Text] Budapest, July 27 (AFP)—A prisoner in a Hungarian jail committed suicide by setting himself on fire in a protest against tough prison conditions for habitual offenders, judicial authorities have reported.

The self-immolation of Sandor Kalanyos on Monday at Vac prison, 20 kilometres (12 miles) north of here, has prompted the authorities to speed up plans to abolish the special conditions for convicts with long criminal records.

Ninety-two prisoners went on hunger strike late Monday, and 155 more Tuesday to protest the special regime.

Mr Kalanyos, 36, died in hospital after dousing himself in a lavatory with an inflammable liquid taken from the prison workshops, judicial authorities announced Wednesday.

Two other prisoners at Vac set themselves alight Monday night, but sustained only slight injuries.

General Laszlo Kun, who heads the national prisons authority, told the prisoners Tuesday that the regime would be abolished under a planned penal reform.

He promised that the 282 men and 14 women prisoners kept under the regime around the country would be "gradually released."

Gyula Borics, secretary of state at the Justice Ministry, said Wednesday that "the tragedy at Vac has not initiated the reform of this institution, but it has certainly accelerated it."

The special regime introduced in 1975 applies to those who commit a violent crime, carrying a sentence of more than a year, for the fourth time.

Sejm To Meet 31 July, 1 August

LD2607165689 Warsaw PAP in English
1516 GMT 26 Jul 89

[Text] Warsaw, July 26—The Sejm (lower chamber of the Polish parliament) will meet on July 31 and August 1. The debate is to begin at 02:00 P.M. [1200 GMT] on July 31.

The agenda includes:

—Considering of a letter by the chairman of the Council of Ministers on resignation of the government,
—A Sejm bill on amending the Sejm regulations,
—A report by the extraordinary committee on government bill on raising wages in connection with change of retail prices of consumer goods and services,
—First reading of deputies' bill on amending the law on the tribunal of state,
—Deputies' interpellations and queries.

Opposition Legislators on Government Composition

LD2607222189 Warsaw PAP in English
2112 GMT 26 Jul 89

[Text] Warsaw, July 26—Leader of the Solidarity parliamentary club OKP [Parliamentary Floor Group] Deputy Bronislaw Geremek said it was a rhetoric question whether the opposition was to form a new government and he added that this question needs a clear and obvious answer: Yes, the opposition-Solidarity side is able and ready to form a new cabinet.

This question was, alongside the planned law on wages indexation, the main topic of Wednesday's OKP meeting. While considering various options of the club concerning the formula of a new government its members were against participation in the cabinet formed by the so-called Grand Coalition, in which the opposition woud get a few, or even all the economic portfolios.

The opposition-Solidarity side, Geremek said, faces the prospect of a small coalition government formed by the PUWP [Polish United Workers Party] and its allies. We shall keep an eye on that government controlling it as the opposition for this is where we are in the present configuration of forces, Geremek said.

He stressed that the opposition-Solidarity side can see in the present economic situation a possibility and necessity to reach an agreement and a kind of consensus in one field, the economy. Geremek made it clear the opposition is not going to approve everything the government does because the economic situation is dramatic, and he supported the idea of an extraordinary parliamentary commission composed according to the political parity of Sejm and Senate representatives, whose leadership would be in the hands of the opposition, and which would continuously monitor the new cabinets economic policy.

Deputy Geremek also drew attention to the necessity to shortly make decisions that would open access to mass media for the opposition-Solidarity side in the form of an independent radio and tv programmes, give the leadership of the government agency for foreign investment to the opposition, from a managing board for the national property which would consistently materialize the opposition's postulate to make deep structural changes in the economy.

Geremek also pointed to the need for an urgent appointment—as in the Round Table agreements—of a national courts council, as well as the need for a Sejm resolution against the subordination of local councils to the president as a succession from the former Council of State.

Among the most urgent, indispensable legislative initiatives the club should now press for, Geremek mentioned a package of laws on the local self-government organised on new foundations, a collection of laws dealing with farming and food economy, and starting to work on a draft of a future electoral law for the parliament.

In a many-hour discussion the OKP club members negatively evaluated the possibility of joining the new cabinet, formed by the present coaliton, by individual persons associated with Solidarity.

Further in the debate the club evaluated the course of work on the proposed indexation law. The club decided to ask the Solidarity national Executive Commission KKW to revise its stance so as to differentiate the indexation payouts to workers who have obtained considerable pay increases in the recent 3 months from those who were not successful in the fight for such increases in the same period.

Party Leaders on Talks With Jaruzelski

LD2607233489 Warsaw PAP in English
2218 GMT 26 Jul 89

[Text] Warsaw, July 26—Here is what PAP was told by leaders of parties and organisations consulted today by President Jaruzelski over the question of forming a new cabinet.

Kazimierz Morawski, UCHS [Christian Social Union] chairman

During my conversation with President Wojciech Jaruzelski I had first of all a special opportunity to present the standpoint of the UCHS Christian-Social Union on the question of nomination of the prime minister and formation of a new government. We first of all believe the optimum solution would be if the new government could be a government of the Grand Coalition incorporating all the political forces present in the parliament.

However, if that proves impossible, we think the government formed by the small coalition should include also persons representing various circles, among them persons from those circles which stay out of the present coalition, and persons associated with the opposition. We believe that such a government would certainly enjoy broader confidence and, what's particularly important, constructive support.

I voiced the conviction that the new government and its prime minister, regardless of their political provenience, will take care that the personnel policy in the state is not founded on party criteria but on preference for professional knowledge and competence in order to have the access to posts and offices, from grass-roots to top, wide open to people of no party affiliation who have so far been ignored.

Wieslaw Gwizdz, Polish Catholic-Social Union chairman

During my conversation with President Wojciech Jaruzelski I voiced our conviction that the government must be tailored to meet the tremendous tasks faced by Poland and, first of all, it must defend Poland from economic collapse.

We believe such a government should, in this case, consist of highly qualified persons guaranteeing correct handling of these tasks.

I stressed that the new government should enjoy at least a minimum of social confidence because it is extremely hard to get the universal "carte blanche" today. We are convinced that it is not the best time now to demonstrate personal or group aspirations and it is not a good time for political game. We are on the side of a government of unity and redemption.

Our community opts for a government of a Grand Coalition in the widest understanding of the word, that is, a coalition not so much political as a coalition of persons well versed in the state of affairs, a government of people who know both, the theory and practice and who should be characterized by determination in action, sense of realism, and knowledge of the subject.

The Polish Catholic-Social Union declares cooperation with the new government: It will assume positive attitude to the cooperation proposals if there are any. If necessary, it will not evade responsibility. We also believe, that a government composed of competent, able, talented, and energetic people will include opposition members who will not decline from this duty.

Alfred Miodowicz, OPZZ [National Trade Union Confederation] Leader

During my conversation with General Jaruzelski the president told me about his vision of the new government. He also said what, in his opinion, the new prime minister should be like. I, personally, like that vision very much because I believe too that the best government for Poland would be a government of the Grand Coalition. If we manage to make such a government, the OPZZ trade unions would certainly assign someone to that body. We would accept such a function as the new prime minister offers to us.

This will, however, be very difficult because I have read the statement of Mr Lech Walesa, which suggests that the opposition does not wish to join the Grand Coalition government.

I believe that regardless of our outlooks, we must now think practically and if so, we have to form an efficient government very quickly. It must be a government acting effectively, first of all. It is very important that the future government proceeds from words to deeds. This is what the working people expect.

Our unions will be in the opposition to any inefficient government whichever party cards its members will hold. We shall support only an efficient government. Such a government can always rely on our support.

Janusz Maksymiuk, chairman of KZRKIOR [National Union of Farmers, Farmers' Circles and Organizations]

I felt obliged to present to the president the standpoint of our organisation which believes that the new government should first of all know how to calm down public opinion and win it over for its activities that may be unpopular. It would be best if that government is a government of the Grand Coalition, as the president has proposed.

As regards the new prime minister, we expect if he declares priority for agriculture, and I hope he will, this declaration will find reflection in the future activities of the government.

I also voiced the hope that the future prime minister will appreciate the role of our organisation and, on the basis of its statutory rights, will consult the union over the candidacy for minister of agriculture and those ministries whose work will play a role in fulfilling the postulates of farmers.

PAP on Walesa Statement on New Government

LD2607171289 Warsaw PAP in English
0100 GMT 26 Jul 89

[By PAP journalist]

[Text] Warsaw, July 25—Consultations over the future government and the conception of its functioning draw high public interest. Poland faces important problems that can be solved only by a government enjoying broad public support.

With the present configuration of political forces this kind of support may be given to a government of national agreement reflecting the Grand Coalition and personifying the continuation of the letter and spirit of the Round Table conference.

Unfortunately, the statement of Solidarity Citizens' Committee leader represents a different way of thinking. It failed to allow for the fact that the configuration of forces which stems from the Round Table decisions and the election results offers a chance to solve Polish burning problems only under conditions of agreement and cooperation between the coalition and opposition.

Lech Walesa is right to notice that the aggravating economic situation of Poland and the growing social tension not only make it necessary to start bold, decisive and, sometimes, unpopular solutions, but also to mobilise the support of majority for such measures.

However, the support is possible only under conditions of cooperation between the coalition forces and the opposition heading for swift and profound economic reforms that inescapably entail social costs.

A system in which one side bears the burden of responsibility and the other only "comments" does not help the entire nation to overcome the existing problems.

Jaruzelski Meets With Group Leaders

LD2607214189 Warsaw PAP in English 2020 GMT 26 Jul 89

[Text] Warsaw, July 26—Continuing his consultations over the appointment of a new Polish Government Wojciech Jaruzelski met with Chairman of the National Board of the UCHS Christian Social Union Kazimierz Morawski and Wieslaw Gwizdz, chairman of the Polish Catholic-Social Union PZKS.

The president's interlocutors presented the expectations of the circles they represent concerning the shape of a new government and the priority tasks it will have to undertake in the interest of all Poles.

President Jaruzelski also met with PRON [Patriotic Movement for National Rebirth] leader Jan Dobraczynski who described the outlooks of his movement on the formation of a government that would work in the spirit of national agreement.

The expectations of Polish scientific world were presented to the president by president of the Polish Academy of Sciences PAN, Professor Jan Kostrzewski.

Breakdown of Voting for Jaruzelski

AU2607094989 Warsaw TRYBUNA LUDU in Polish 24 Jul 89 p 4

[PAP report: "How Did The National Assembly Vote?"]

[Text] Because of the great interest in the results of the voting for president, a POLISH PRESS AGENCY [PAP] journalist obtained details from Wiejska Street.

It transpires that the heads of the deputies clubs of the Polish United Workers Party, United Peasant Party, Democratic Party, Pax Association, Christian Social Union, and Polish Catholic and Social Union all voted "yes" to W. Jaruzelski. The head of the Citizens Parliamentary Club voted "no." The Sejm marshal voted "yes," but the marshal of the Senate cast an invalid vote.

All Polish United Workers Party members of the National Assembly voted for Jaruzelski, except one. Six United Peasant Party members voted against him, and 13 abstained. From the Democratic Party, four voted "no," and three abstained. All members of the Pax Association, Christian Social Union, and Polish Catholic and Social Union voted for him.

All members of the Citizens Parliamentary Club voted against W. Jaruzelski, except one. Eleven deputies and seven senators from this club abstained, and two deputies and five senators from this club cast invalid votes.

The only independent senator voted "yes." In accordance with the rules adopted by the National Assembly, a list of names of the members of the National Assembly, showing how they voted, will be published in the "Sejm Diary." As we have already said, 270 parliamentarians voted for Wojciech Jaruzelski, 233 against, 34 abstained, and 7 cast invalid votes.

Solidarity Official on Forming of Government

LD2707060289 Warsaw Television Service in Polish 1730 GMT 26 Jul 89

[Text] A stance on appointing the government, wage indexation, introducing market mechanisms into agriculture—these were the subjects of talks of the Citizens' Parliamentary Floor Group. The chairman of the Solidarity Farmers' Trade Union Jozef Slisz gave a report on yesterday's [25 July] meeting with the president, on the subject of forming the government.

[Janusz Onyszkiewicz] Today, one thing is clear—there can be no talk of an oppositional government. I am saying this after the meeting between President Jaruzelski and Lech Walesa. Neither can we talk of the possibility of a great coalition. We all well remember the bad historical examples. Premier Osobka-Morawski, a member of the PPS [Polish Socialist Party] was purely decorative, Mikolajczyk, the deputy premier, was completely powerless. [Osobka-Morawski and Mikolajczyk, leader of the Peasant Party, were premier and deputy premier

of the provisional government and the Government of National Unity 1945-47]. We fear that Solidarity would be inserted into a certain system, and this would merely bring about a loss of our identity, our credibility within society. What remains, then, is...

[Correspondent] Well, yes, a shadow cabinet.

[Onyszkiewicz] A shadow cabinet. Of course, this is a certain technical means in order to better supervise the work of the government, and possibly to prepare for taking over all portfolios—maybe certain ones—in the future, and this is a matter which we will no doubt undertake. However, we will definitely postulate the appointment of an extraordinary commission, which, on the principle of the equality of representation of both sides, will supervise the government's economic program, the initiation of economic reforms. It will not be a super-government. It will rather be a sort of pilot, which does not replace the rally driver, but who tells him whether he should turn left of right. If the driver does not turn into a ditch, then that's his responsibility.

Apart from this, what is importnat to us, of course, is a whole series of summary steps: access to the radio and to television; placement of radio and television under the control of parliament, so that, for example, the Second Television program, in its journalistic sphere, should be a program which presents the opposition's point of view.

What is also important is the implementation of the postulate established at the Round Table, namely the appointment of the National Judicial Council—an imoprtant step in the direction of the independence of the courts. Finally, the issue of territorial self-government, so that, at this moment, these self-governments, even as they now exist, were not subject to the authority of the president, so that, to the time of the new law, this should be suspended and a new law should also be passed by the Sejm as soon as possible.

Finally, what is important is a whole package of issues connected with agriculture, concerning the introduction of market mechanisms into agriculture, and a serious issue, namely the electoral law for the future Sejm. This is a fairly straightforward matter. It seems that the electoral law which was established at the Round Table is fully applicable, after the withdrawal of certain elements which were currently subjects of the political agreement of the Round Table. And this is a program which ought to be implemented today.

PZPR Favors Market Principles for Food Economy

LD2607103689 Warsaw PAP in English
0046 GMT 26 Jul 89

[Text] Warsaw, July 25—The PUWP [PZPR] deputies' floor group today debated on basing food economy on market principles. Government representatives said about a concept of this step to be taken starting from August 1. Clearly referring to publicly formulated criticism of the concept, PUWP deputies said that in the present condition of the economy Poland would never be sufficiently "well prepared" to conduct this operation. They also warned that nobody abroad would give money to finance the rise in consumption in Poland. The money will be given only to increase production. PUWP deputies stressed that agriculture waited for being put on market principles and that this July meat would not be purchased from 22 per cent of coupons for rationed buying of meat. They presented also steps to protect economically weaker social groups that should accompany putting the food economy on market principles.

On the other hand, head of the PUWP CC [Central Committee] department and secretary of the commission for PUWP Central Committee's socio-economic policy Janusz Basiak firmly questioned the government's preparation for putting the food economy on market principles. He concluded that August 1 was not a day possible to implement it. Vice-Chairman of the All-Poland Alliance of Trade Unions (OPZZ) Waclaw Martyniuk repeated the OPZZ well-krown stand.

As a result of the discussion, the floor group adopted the following stand: "The PUWP deputies' floor groups is for introducing market mechanisms to key branches of the economy on market principles as of August 1."

Szczecin Farmers Launch Protest Action

LD2507162389 Szczecin Domestic Service in Polish
1500 GMT 25 Jul 89

[Text] Stargard, Pyzyce, Plotyn, Nowogard, Lobez, Kamien Pomorski, Gryfice, Lepiany, Chojna—these are just a few of the places in the Szczcecin Voivodship in the vicinity of which a protest action is taking place today, declared by the voivodship protest committee of the voivodship union of farmers, agricultural circles, and organizations in support of the national protest action by farmers. Between 1200 and 1400 [1000-1200 GMT], farmers combined in the union blockaded the more important roads in the voivodship with the help of heavy equipment, mainly tractors. According to the weight of traffic and the length of the bottlenecks forming, particular roads were blockaded from 30 minutes to 2 hours.

Let us recall that today's action was already proclaimed on 21 July and is a protest against the nonimplementation by the government of the decisions made earlier regarding appropriate increases in the procurement prices of agricultural products in relation to the growth of the prices of the means of production, and also delays in the preparations for the marketization of the food economy across the country.

Sejm Speaker Meets Farmers

LD2607231189 Warsaw PAP in English
1746 GMT 26 Jul 89

[Text] Warsaw, July 26—Sejm Speaker Professor Mikolaj Kozakiewicz met here today with members of the

presidium of the main council and board of the National Union of Farmers, Farmers' Circles and Organisations (KZRKIOR).

According to the participants in the meeting, the lack of reaction towards the farmers' postulates caused their dissatisfaction and some decisions and actions even provoke farmers to take up protest actions. Such provocative impact have the postponing of the decisions on introduction of market mechanisms into the food economy, the shifting of the burden of economic crisis on farmers' backs, the freezing of the prices which followed the escalation of the prices of means of production, and the like. According to the KZRKIOR's assessment, the situation in the rural areas aggravates and threatens with an outburst of dissatisfaction.

In connection to that, the presidium of the KZRKIOR informed the Sejm speaker on the causes and scale of the currently conducted protest action and asked him to make those responsible to publicly tender their explanation in the matter of non-realisation of farmers' motions.

Deputy Premier Malkowski Interviewed

AU2607131289 Sofia NARODNA ARMIYA in Bulgarian 25 Jul 89 p 4

[Interview with Dr Jerzy Malkowski, deputy chairman of the Polish Council of Ministers, by Karol Rzemienecki, INTERPRESS reporter, "especially for NARODNA ARMIYA": "Accelerating Reform"—date and place not given]

[Text] [Rzemienecki] What is happening with the economic reform in Poland? Recently people have been speaking more and more frequently about its acceleration, radicalization, and popularization, but the economic situation in the country does not evoke any optimism.

[Malkowski] Undoubtedly the reform processes in the Polish economy have been moving very rapidly recently and are radical. The results of the "roundtable" discussion, at which after 2 months of discussions and talks a public treaty of sorts was signed with the participation of all significant political and public forces, contributed to this.

[Rzemienecki] In what way did the "roundtable" discussion contribute most to the economic reform?

[Malkowski] Mostly in confirming the public conviction that has emerged in recent months that we cannot retreat any more, and that the reform has reached the "critical point" from which we can now proceed faster. The most important legal amendments which accelerate and radicalize the reforms, such as the Law on Economic Activity, the Law on Associations, the new foreign currency regulations, and the banking regulations, were adopted before the "roundtable" discussion.

In determining the directions of its activity in the fall of 1988 the government of Premier Rakowski adopted the acceleration and strengthening of the economic reforms as one of its main goals. The aforementioned laws are an eloquent confirmation of this. One month before the beginning of the "roundtable" discussion they introduced the freedom to initiate any economic activity in principle (with two exceptions for which a concession is necessary); equal treatment of all property sectors in anything related to economic and legal aspects (for example in the sphere of taxes, the possibility to obtain bank credits, and so forth); greater opportunities for foreign investments; the introduction of the commercial approach to the banking system; and elements of the free foreign currency market.

The first results are evident. Many thousands of new public and private economic units have been registered within several months. In Warsaw Voivodship alone more 15,000 such units were registered; in the Bydgoszcz Voivodship—3,000; in Lublin Voivodship—2,700; and in Wroclaw Voivodship—3,600.

[Rzemienecki] It is evident that the process of reforming the economy is continuing....

[Malkowski] Of course, it is a long process which will continue for many years. Many new decisions are expected in the near future. In addition to personal income tax we shall introduce new laws such as the law on shares, the communal property law, and certain legal amendments, which will facilitate the expansion of market mechanisms in the economy. In the area of current economic policy we intend to advance toward the next stage in our efforts to balance the market and the state budget, accelerate structural changes in industry and the entire economy, achieve greater management efficiency, and reduce the energy and materials content of the national income. We shall also continue to seek and apply solutions that would increase the ability of our economy to develop and cope with the requirements of competition in foreign markets. Of course, this is an undertaking that will continue for many years....

Voivodas Discuss Economy's Market Orientation

AU2607131389 Warsaw RZECZPOSPOLITA in Polish 24 Jul 89 pp 1,2

[Excerpts] PAP—The introduction of market principles into the food industry was the main subject of a conference of voivodas at the Office of the Council of Ministers on 21 July, chaired by Premier Mieczyslaw F. Rakowski. [passage omitted]

Opening the talks, M. Rakowski said that the introduction of market principles into the food industry is urgent from the point of view of the economy, though one has to be aware that the task is difficult in social terms.

The premier also referred to the government's July decision to freeze wages and prices. This decision was taken in order to prevent a complete disintegration of the market.

Hotbeds of strikes and wage demands are not dying out in Poland, said M. Rakowski. The excessive outflow of money is ruining the internal equilibrium of the economy. In this situation, it is impossible to postpone the decision on introducing market principles into the food industry.

In principle, said the premier, there is no social group in Poland that opposes the idea of market orientation itself. Differences between groups concern the ways in which to implement this idea.

M. Rakowski told the voivodas that implement this major undertaking, an undertaking most suited to the concept of building a new economic order, depends mainly on the voivodas' own efficiency and on good preparations by them to implement a market orientation in their respective areas. The point, M. Rakowski concluded, is to restore good supplies of food to the population by means of this market orientation and ensure the efficiency and continuity of sales. [passage omitted]

Deputy Premier Kazimierz Olesiak, minister of agriculture, forestry, and food industry, was of the opinion that consumers will not stand market orientation if the system of ration coupons is preserved and nothing is to be found in the shops. Now is the time to implement the market orientation. A further delay in this respect will only lead to a worsening of the food situation in Poland and will inflame moods in urban and rural areas. The moment is difficult, but there will not be an easier one. It can only get worse if we continue to delay this important decision. [passage omitted]

Once the food industry is governed by market principles, the biggest problem may be to supply residents of the largest agglomerations, K. Olesiak continued. Therefore, at least in the beginning, it will not be possible to avoid "manual control" over food supplies to the nine largest cities of Poland. In order to prevent rapid price rises of food, we plan to maintain subsidies at what has been their nominal level to date. Moreover, we shall continue to subsidize agricultural production resources, thanks to which the growth of the cost of food production will be lower than if we were to completely abandon state subsidies for agriculture. Of course, meat rationing will also be abolished. [passage omitted]

Marcin Nurowski, minister of internal trade, said that sales of food in the first half of the year were 12 percent higher than during the same period last year. Thus, supplies to the market are actually better, but customers do not feel it. This is because of the growing tendency to hoard food, M. Nurowski said.

M. Nurowski said that to prevent the destitution of the food market, he had taken a decision on 7 July to limit daily sales of staple food products to one-twenty-fifth of the monthly supplies so far. This decision also stems from the necessity to protect the already strained food reserves, he said. They should be preserved in order to prevent artifical price rises if food shortages occur after the introduction of market principles to the food industry.

One must see the possible support of foreign countries for Polish food supplies in the right proportions, M. Nurowski said. According to initial estimates, food consumption in Poland amounts to $5 billion annually. EEC support totals $120 million annually, some 2 percent of the food bought annually by Poles.

M. Nurowski said that initial estimates indicate that the price of meat can be set at some 50-80 percent of its current, regionally differentiated, market price. [passage omitted]

The introduction of market mechanisms to the food economy should not be identified with increases in prices and incomes, said Wincenty Lewandowski, secretary of state in the Ministry of Finance. Market orientation means a departure from the central and administrative fixing of food prices. The purpose of the market orientation is to restore and maintain continuous sales of food, while making the rise in food prices as small as possible, W. Lewandowski stressed. [passage omitted]

The introduction of market mechanisms is not meant to be a "drainage," and therefore it should not result in a decrease in the real value of the incomes of workers and pensioners, said Michal Czarski, minister of labor and social policy. [passage omitted]

The participants in the conference did not negate the need to reintroduce market mechanisms to the national economy. However, they made it clear that they should be introduced first of all to agriculture, to the food processing industry, and to trade in agricultural products. [passage omitted]

Summing up the talks, Deputy Premier Ireneusz Sekula emphasized that the success of the market orientation of the economy depends mainly on the efficient performance of this operation in various parts of the country. The point is to ensure a continuity of food sales as of 1 August, react calmly and in good time to possible price hikes and, first and foremost, to guarantee the right organizational and technical conditions for an improvement in food sales, especially in large conurbations.

New Vice Minister for Defense Named

AU2607095689 Warsaw TRYBUNA LUDU in Polish 24 Jul 89 p 5

[Text] PAP—The chairman of the Council of Ministers recalled General Zbigniew Nowak from the post of vice minister of national defense in connection with his transfer to another post and, on the recommendation of the minister of national defense, appointed in his place General Jerzy Skalski.

Gen Jerzy Skalski was born in 1925 to an intelligentsia family. He has a military higher education. As a young officer of the Polish People's Army, he took part in frontline battles from 1944 onwards. He then passed through all stages of the command structure of the Ministry of National Defense rocket and artillery forces. Among other things, he was chief of staff of the rocket and artillery forces, and commander of the Warsaw Military District. Since 1987 he has been chief inspector of territorial defense, chief of national civil defense, and secretary of the National Defense Committee.

He is a member of the Polish United Workers Party.

New Bank Vice President Appointed
AU2507063489 Warsaw TRYBUNA LUDU in Polish 21-23 Jul 89 p 7

[PAP report: "Chronicle of Cadre Changes"]

[ext] In connection with the retirement of Bronislaw Jasinski, vice president of the Polish National Bank, the chairman of the Council of Ministers has appointed in his place Grzegorz Wojtowicz, who until now was chairman of the Board of the Polish National Bank.

Grzegorz Wojtowicz was born on 2 October 1947 in Szczecin, to an intellectual family. He graduated from the Foreign Trade faculty of the Central School of Planning and Statistics in 1970, and commenced employment at the Koszalin Voivodship branch of the Polish National Bank. In 1978 he was transferred to the bank's Foreign Department, where he was first of all a chief expert, then deputy head of department, and finally, in 1964, head of department, at the same time that he occupied a place on the bank's board.

In 1980 he received a doctorate in economics. He has written many works on international finance. He has participated in the work of many banks and international financial institutions. Since 1988 he has been deputy governor for Poland at the World Bank in Washington. As of last year he is also a member of the councils of the International Bank for Economic Cooperation and International Investments Bank in Moscow. A member of the Polish United Workers Party, he has been decorated with the Bronze, Silver, and Gold Crosses of Merit. He is married and has one daughter.

USSR-U.S. Relations Marked by 'Rapprochement'
AU2607114289 Warsaw RZECZPOSPOLITA in Polish 24 Jul 89 p 7

[Maksymilian Berezowski commentary: "Without a Heat Wave"]

[Text] This year the quiet summer season did not concern itself with politics. This was the case in Poland and the rest of the world. The summer heatwave did not extend to relations between the USSR and the West, or between the USSR and the United States in particular.

As we know, the Paris summit of the "Seven" was taken aback by the letter the Western leaders received from Mikhail Gorbachev, who called for closer world economic links with the Soviet Union. The initial reaction of the presidents and government leaders gathered in Paris was rather skeptical, reserved, and in some cases, somewhat negative. Gorbachev's offer was considered politically and economically premature. Nevertheless, Gorbachev's gesture was noted as an important turnabout by the USSR which confirms the main principles of perestroyka and which, given time, may lead to a wider dialogue also in this sphere.

The credibility of perestroyka in international relations was also to be seen in an unprecedented 1 hour long satellite-linked debate between Sergey Akhromeyev, military advisor to Mikhail Gorbachev, in Moscow, and FRG General Wolfgang Altenburg, chairman of NATO's Military Committee, in Brussels, in front of Moscow television's cameras. The debate will be broadcast next Saturday. Its subject was the character of doctrinal wars, and the existing dangers and the balance of forces between the two military blocks. This sort of public debate is undoubtedly conducive to the reduction of a mentality of suspicion and confrontation. The respective current mutual visits of warships and thousands of seamen of the two superpowers in the ports of the United States and the USSR respectively, also serve this aim.

Progress also looks likely in some of the arms reduction negotiations. Agreement on the hitherto conflicting points which have been holding up progress on a treaty banning chemical weapons also seems very likely. Very soon, the two governments will agree a jointly acceptable timetable for the elimination of these weapons (complete elimination—10 years) and an inspection procedure. These documents will be presented to the Geneva international disarmament conference. It must be stressed that the proposed treaty, the subject of negotiations which have lasted for 8 years now, was held up because of the numerous reservations that each side had.

The above mentioned progress has also impacted on the key Soviet-American discussions on the proposed 50 percent reduction of strategic nuclear arsenals in the START program. According to latest information, the Soviet side has proposed to withdraw all its short- and long-range nuclear armed cruise missiles which have been dispersed on the high seas (on surface vessels and submarines), if the United States will give a similar undertaking. American acceptance of this offer would go a long way toward the conclusion of an arms reduction agreement, for it would eliminate the need for a very difficult control procedure for cruise missiles.

Naturally, there still remain a lot of complex issues in the START program as well as in other matters. Negotiations on conventional arms reductions in Europe are only just beginning in their fundamentally new parameters. As yet there is no date in sight for a Gorbachev-Bush summit. The tempo of the dialogue is by no means

breathtaking, but at least the dialogue has not come to a stop. At the beginning of the new series of negotiations one can see that the idea of a gradual rapprochement and of compromise is the main operative principle of the relationship between the two superpowers.

Hungarian Opposition 'Disappointed' in U.S.

AU2607140989 Warsaw GAZETA WYBORCZA in Polish 24 Jul 89 p 7

[Report signed '(WAI)': "How The Hungarians See Things"]

[Text] Janos Kis, a well-known Hungarian oppositionist and aktivist of the Union of Free Democrats, says the following:

"We are disappointed with the decisions of the U.S. Congress. We thought President Bush's original proposal reflected U.S. determination to support the democratization in Hungary and Poland. We also thought these proposals stemmed from a U.S. recognition that both countries are ripe for a democratic breakthrough. The Congress decision indicates that Congress does not treat what is happening in our countries seriously. This decision is also having a negative psychological impact on our societies. It is creating the impression that one cannot seriously expect help from the United States because the authorities of this power either do not know what the real situation in our countries is, or they think that the development of this situation possesses no greater significance from the point of view of America's interests.

"It is certain that the business world's growing interest in investing in Poland and Hungary will fall. Both societies' hopes of extricating themselves from the crisis will also weaken. The U.S. Congress decision has additional significance as a signal that is being picked up by West European political centers that are carefully monitoring the development of the situation in central and eastern Europe and are watching U.S. reaction at the same time. From this angle, the signal is a decidedly negative one."

'Diversity' New Chance for Eastern Europe

AU2607115589 Warsaw ZYCIE WARSZAWY in Polish 12 Jul 89 p 50

[Franciszek Nietz commentary: "Together or Separately?"]

[Text] Over the last few decades one has got used to talking and writing about the European socialist countries as a monolithic political block, a symbol of almost fraternal love. Fastidiously watching the various squabbles and divisions which disturb the EEC or NATO, we have not noticed the progress of the slow but inevitable divergence of the Warsaw Pact countries and of the different ways in which economic problems or the more or less discernable social and political tensions are solved. The accepted thesis about using one's own culture, history, and national characteristics to lend specific color to one's own socialism and the strictly observed principle of noninterference in the internal affairs of our socialist allies effectively nullified any attempts at a more open appraisal of our socialist community.

It is supposedly for this reason that it is difficult today to come across objective and balanced pronouncements on the differences within Eastern Europe which are free from emotional or rash opinions. These differences are now so clear and evident that nobody can any longer "decree" complete agreement or unanimity. Apart from this fact, a frank discussion of aspects which divide us can at the same time point to the important areas which are common, which bring us closer and unite us. Having said that, the lack of tradition and practice of frank speaking about one another is a cause of excessive irritability, the use of ideological loyalty in one's own self-defense, and the hasty postulation of one's own solution and point of view, which others are seemingly obliged to follow. At the same time there is marked lack of tolerance for the specific solutions of one's partners.

The Soviet perestroyka and the economic and political reforms in Hungary and Poland have to a large extent exposed the full range of the differing positions of the leaderships of the various socialist countries. These differences have divided the socialist camp into countries that are spearheading the reforms, countries that belong to the second wave, and countries belonging to the rearguard. At the same time "socialism," a concept so important for all political-ideological debate, has become the subject of a fundamental reformulation, which itself forms a separate subject. Added to the above, the necessity for such reformulations and the need to adapt socialism to the changing reality in Eastern Europe and the whole continent is by no means accepted everywhere. Because of this, we have the hurried assessments appearing in Berlin and Bucharest of the changes in Hungary and Poland, and talk of counterrevolution and the abandonment of socialist ideals.

The main accusations appear fairly infrequently, but it is more usual to come across the practice of using selective information about the events in Poland (see the GDR press), or the proven formula of publishing letters from readers who express concern with what is politically happening in Hungary or Warsaw (this is a speciality of the Czechoslovak press). A particular form of veiled criticism is also the Dubcek and the CSSR dissident leaders' interviews for the Hungarian mass media, although here it is difficult to deny that such events express an increasingly open and free press circulation in the countries leading the reforms.

It would be an oversimplification to try to reduce the perestroyka debate in the socialist countries only to press polemics. The official declarations of the leading representatives of political life in Romania, the GDR, and the CSSR, show that behind the words there is a real and deep concern for the future of the socialist changes in the

whole bloc and in each country individually. "A discussion on perfecting socialism has no sense," reasons Nicolae Ceausescu. "Socialism is wonderful for it ensures equality, and eliminates exploitation and oppression. The point is not to perfect socialist structure, but to apply the gains of science and technology and to develop the revolutionary spirit."

Joachim Herrmann, the leading ideologist of the GDR, and secretary of the Central Committee of the Socialist Unity Party of Germany, considers that "under the banner of 'socialist renewal' there are forces which are grouping to displace socialism," and this is the reason why the development of the situation in Hungary fills his country's and his party's political leadership with grave concern. A similar concern was recently expressed by Milos Jakes, general secretary of the Central Committee of the Czechoslovak Communist Party. The reasons for his concern are the Polish and Hungarian developments "where important changes are taking place in the position of the party in society and the realization of political pluralism is accompanied by a legalisation of an opposition and its political offensive." Vasil Bilak is less circumspect in his choice of words when he talks of "chaos and the disintegration" in the two mentioned countries, which must discourage others from following in their reforming paths.

These words, unpleasant as they may be, vividly illustrate the complexity of opinions on the reforming courses set in Warsaw and Budapest. Our neighbors to the West, with their well functioning economies and their efficient and more fully developed social security programs, really see no need to follow the Polish or the Soviet economic method, or why they should copy another country's model for reform. Berlin stresses that its 1971 economic reforms have, according to Kurt Hager, secretary of the Central Committee of the Socialist Unity Party of Germany, lived up to their expectations in practice.

We have to see whether this is really so in the next few years. This is not the place to argue with the views of experts, or to make predictions of the unavoidable difficulties of centralized economies which we are presently suffering. Each country has different conditions, problems, and its own way of looking at things. Nicolae Ceausescu firmly believes that his country has overtaken many developed Western countries in social development. According to him, problems of directing the economy, the application of new economic mechanisms, and new organs of self-government and administration were solved in Romania over 20 years ago and since then have been improved and perfected.

The thesis that one cannot build one single generally accepted and stereotyped form of socialism, and that political and economic reforms—assuming they are inevitable—cannot happen all at one time or at the same tempo, a thesis which is equally stressed in Moscow, Budapest, Sofia, and Prague, would seem to be the correct one. From this point of view we can see the different relationships that socialist countries have to their own past, to Stalinism, and to the concept of pluralism and the multipartite system. Let us look more closely at this last point.

In Romania the multiparty principle is rejected. In a society which has antagonistic classes, a multiplicity of parties is an anachronism. "The multiparty system" citing Nicolae Ceausescu again "is a step back and not a political step forward in governing society. The necessity of democracy and the need to involve all classes and the nation in governing society must be achieved by new forms of organization and by making the nation participate in this process, and not by the multiparty system."

In the GDR, it is maintained that a multiparty system existed at the inception of the state and functioned under the aegis of the Socialist Unity Party of Germany. The full form of this multiparty system is the National Front which is the basis of the democratic system. Similar formulas exist in the CSSR and Bulgaria. "It is important to differentiate between political pluralism, meaning a free play of antagonistic political forces which are competing for power and socialist pluralism, which stands for society's multilateral interests and needs," says RUDE PRAVO.

This strict delineation of the boundary between the authentic and socialist pluralism and the pluralism which smacks of Western revisionism or even counterrevolution stems from a fear manifested to a lesser or greater extent that, as a result of changes in the system of property ownership, the party will lose its monopoly of power. Most of the socialist countries do not allow this sort of debate and even in the Soviet Union, which is in the process of perestroyka, Boris Yeltsin has only asked for the matter of a multiparty system to be very tentatively introduced into the mass media debate, without claiming that society has the right to a multiparty system. Hungary is without doubt the country which has advanced furthest along the road of party pluralism and for whom even the Polish model of joint government according to an agreed percentage is unacceptable and not a true expression of the democratization of political life.

What does the future hold for the socialist bloc? Will we continue to stride further apart along different roads, or will the feeling of unity continue to prevail alongside the variety of economic and political solutions?

Nobody can give an answer to that question today. We are undoubtedly united by a defensive pact, the similarity of parties, property ownership, and other governmental problems. The responsibility that the Helsinki Final Act imposes in relation to the rights of man, the joint care for the "common European home," and the assurance of peace and security in Europe should also be a thing which unites us. One cannot a priori totally exclude the possibility of a weakening of ideological ties and the

fact that the gap may increase between the countries heading the reforms and those countries which see no need for radical reforms at home.

The last meeting of the Warsaw Pact leaders in Bucharest confirmed yet again that there are no universal and exclusively correct models of socialist transformation, and stressed that each country has a right to elaborate its own independent and individual line of development and reform. Such an approach departs in some measure from the facade-like unity in favor of a greater diversity of paths of development for socialist countries and their mutual relations. Is there not a new opportunity for Eastern Europe in this diversity?

Czech Oppositionist Views Polish Affairs

AU2607155789 Warsaw GAZETA WYBORCZA in Polish 24 Jul 89 p 3

[Article by Jiri Dienstbier, Czech oppositionist, 'for GAZETA WYBORCZA': "We Are Watching Poland"]

[Text] Jiri Dienstbier was born in 1937. After graduating from the Philosophical Department [place not given], he worked as a foreign correspondent for Czechoslovak Radio. He was dismissed in 1969, and today he works as a boilerman. He was an aktivist in "Charter 77" and the Defense Committee for People Persecuted for Their Convictions. In a trial against this committee, he was sentenced in 1970 to 3 years in prison.

[Dienstbier writes] When Zbigniew Brzezinski recently resuscitated the forgotten concept of a Czechoslovak-Polish federation, Poland gave him the following reply: We are looking to the West, not to the South. A Czech would surely have answered: We are looking to the North.

In the 19th century, when poetry was still read, the Czechs admired the Polish poet Mickiewicz and the Polish insurrections, and at the same time were jealous of the Poles. The passive resistance of Czech deputies in the Austro-Hungarian Parliament was definitely not so effective.

Czech patriots did not feel strong enough to launch a revolution. They saw no need for it in any case. Austro-Hungary was not like Russia. They were proud of the property of the rural population. They created a Czech capital. They led varied social lives within the limits of the law. By doing so, they actually extended these limits. They formed associations in every village, they staged plays, they formed cooperatives and self-help organizations. Later they founded a powerful bank and the "Skoda" plant.

When countries came into existence after the war, the Czechs considered themselves to be the most prosperous, most cultural, and most Westernized country of all the Slavic peoples. In the border disputes with Poland, which then faced a threat from the east, they acted with the arrogance of a wiser and more mature brother. The Poles held them in contempt as petty bourgeois cowards.

After Munich, Poland behaved with no less arrogance toward Czechoslovakia because of the humiliation dealt to it at the Treaty of Versailles. In the end, neither the Poles, who fought bravely against German and Russian aggression, nor the Czechs, who did not, defended themselves against it.

As a result, the Czechs became convinced that if Polish history is nothing but a history of lost wars and crushed uprisings, then Czech history, though a history of capitulation, at least preserved a roof over the heads of Czechs and provided them with something to eat.

After 40 years of Stalinism, we should not throw accusations at each other. If old prejudices have survived nonetheless, that is mainly because Stalinism erected walls between people it described as fraternal.

Despite all the prejudice, Czechs and Slovaks are carefully watching the situation in Poland. Many view the situation with skepticism, attributing the success of "Solidarity" and the concessions by the authorities to the economic poverty. They prefer to see something concrete, not the dubious results of efforts by hearts and minds. The shock caused by the crushing of the Prague Spring is still very much alive.

Although the Czechs are not threatened by a shortage of bread, milk, or meat, the present authorities have ruined our pride in the proverbial "talented Czech hands" and in our membership of the world's cultural and economic elite. We have lost that which has justified the Czech tactics over the past 150 years.

That is why the development of the situation in Poland is also a key issue for Czechoslovakia. If the Poles can prove themselves capable of solving their problems without bloodshed (no one expects any miracles, of course), the consciousness of the Czechs will receive a strong impetus.

Today we are no longer a small group of "Charter 77" signatories guarding a small flame in darkness. The statement of "several sentences," referring to the illustrious "2,000 words" of 21 years ago, was signed by thousands of people belonging to various professions and holding various views.

We do not have to form a federation in order to fulfill our joint democratic ideals, because the future does not depend on regional federations, but on legal guarantees of borders within a joint area that is based on European political culture. However, the Czechs, Slovaks, and Poles should open themselves to each other, not just to eliminate their historical prejudices and complexes, but to create a new Europe, of which Masaryk and Paderewski once dreamed in America.

After more than 10 years of contacts between "Charter 77" on the one hand and the Workers Defense Committee [KOR], and "Solidarity" on the other, understanding and friendship have arisen, frequently at a very personal level. During one of the first meetings in the Karkonosze Mountains, Adam Michnik spoke in the wind and rain about his shame at Poland's participation in the intervention in Czechoslovakia in August 1968. Together with Vaclav Benda, we explained to him that the aggressor was not Poland, but the international Stalinist bureaucracy. In any case, the Czechoslovak Army was very nearly used for the same purpose in 1981.

In the May issue of LIDOVE NOVINY, which we wish to continue to publish as a newspaper, I express the hope that we will no longer have to meet up in the mountains in order to talk to each other. I express the hope that Adam Michnik will be able to visit us bearing the passport of a parliamentary deputy of a fraternal country in order to demonstrate personally in this Stalinist museum of ours that nothing is impossible in politics.

Lessons like these for the falsely-construed Czech cautiousness is probably the most important thing you could send us, especially because even the most cautious people are already eavesdropping.

Polish-EC Agreement Detailed

LD2607205289 Warsaw PAP in English 1200 GMT 26 Jul 89

[Text] Brussels, July 26—After clinching a trade and cooperation agreement between Poland and the EC yesterday Andrzej Olechowski, chairman of the Polish delegation to the talks and department director at the Ministry for Foreign Economic Relations, described the most important points of the deal:

"First, the agreement cancels restrictions imposed on Poland by the EC, to be realized in three stages expected to end by Dec. 31 and to enable Poland to boost exports.

"Second, the sides will introduce facilitations in farm trade.

"Third, the agreement lists structural changes in Poland among aims of economic cooperation, which may become a basis for significant assistance in restructuring the Polish economy.

"Fourth, both sides will promote joint scientific research, which will pave the way for scientific-technical cooperation."

Olechowski also listed fields of prospective Poland-EC cooperation, that is the shipbuilding industry, mining, agriculture and agro-industry, services, telecommunications.

EEC Aid Proposals to Poland Reported

AU2607161389 Warsaw RZECZPOSPOLITA in Polish 24 Jul 89 p 7

[Maria Wagrowska commentary: "Western Europe—Interest in Polish Problems"]

[Text] In Western Europe there is a marked increase in interest in Polish problems. This is due to two factors. First, the tempo of our political changes (the election of a president, the anniversary of Poland's National Day, and the restoration of relations with the Vatican). Second, the West's plans for aid to and cooperation with Poland after the recent proposals of coordinated action made by the seven most developed Western countries.

Eastern Europe is undergoing an unusual evolution, said King Baudouin of the Belgians, in his statement made on the occasion of 21 July, Belgium's National Day. He mentioned the Soviet Union, Poland, and Hungary as countries that have opted for fundamental reforms in their method of government. He also stressed the importance of this phenomenon for European unification, and repeated the desire to help those countries that have embarked on a road bringing them closer to the West. All the main Belgian papers carried this statement.

These words can be taken to be representative of the position of other politicians and personalities in the West. The reason for this is two-fold; first, they express admiration for those changes, and second, they indicate a desire to help.

On 1 September we will see the opening of a conference in Brussels on the possibilities of cooperation with Poland and Hungary. Initially, it will be held at the director of department level of each of the EEC countries' agriculture and finance ministries. As we know, the coordination of cooperation is in the hands of the EEC. Within a week after the conclusion of the Paris summit of the "Seven," the EEC had already established contact with all the OECD countries. Thus, apart from the "Seven" (including the four largest EEC countries) and the rest of the EEC, the conference will also be attended by the member states of EFTA, that is, Finland, Norway, Iceland, Sweden, and Austria, and additionally Australia, New Zealand, and Turkey. Thus, all 24 member countries of EFTA will attend. There is a possibility that other countries will also attend, for example Morocco. Some of these countries have said they will help with food supplies, others with economic cooperation, and some with financial aid, but it must be stressed that it is difficult to foresee the range and full value of these plans.

At the EEC headquarters in Brussels everybody is cautioning against overoptimism. It is widely emphasized that the aim of the West's coordinated action is to help Poland in reforming its own mechanisms of administration and production, especially in the agricultural and food processing sectors, so that in a relatively short period of time Poland can stand on its own two feet.

There can be no talk of billions of dollars of aid, Chancellor Kohl stated in the Sunday interview he gave to "Deutschlandfunk," stressing that the FRG sees the formation of joint ventures with Polish enterprises as its main aim.

The EEC food aid package which the foreign ministers of the "Twelve" agreed last Monday is thought of as a kind of "bridging aid" enabling Poland to solve its food supply problems and adapt itself to more effective food and agricultural production. The precise extent of this package will be decided within the next few days by the agricultural ministers of the EEC countries.

The starting point for it will be the program drawn up by the EEC Commission which will later be involved in organizing the way that its food surpluses are transmitted to Poland. Poland is due to receive various varieties of grain from 1 September, and especially wheat, barley, maize, beef (unofficial sources say that 70-80 thousand tonnes would come from EEC stockpiles which are estimated at 110 thousand tonnes), vegetables, oranges, and other fruit, including apples, and olive oil—all valued in total at $110 billion. The sum of $15 million has already been earmarked for the cost of transporting this food to the Polish border.

This help is to be free, but the EEC has specified that money raised as a result of the sale of this food in Poland must be channeled into modernizing the Polish food production and agricultural sector, the food distribution sector, and the food processing sector.

Monday will see the beginning of the discussions between the Polish delegation headed by A. Olechowski, director in the Ministry for Foreign Economic Cooperation, and the EEC on the way the food aid is to be organized. A. Olechowski is also head of the Polish team negotiating with the EEC on a trade and cooperation treaty. Both sides have expressed an intention that this should be the final round of negotiations. The treaty can then be initialled in Warsaw in the first part of August and the official signing could then take place in the first half of October.

Irrespective of the fact that quantity restrictions related to trade with Poland may be removed, the treaty may encompass two crucial elements, namely, new forms of cooperation similar to the West's plans and already mentioned in his article, and access to credits from the European Investment Bank fund which will be designated for the reform of Polish industry.

Czyrek Receives Belgian Official

LD2607174189 Warsaw PAP in English 0059 GMT 26 Jul 89

[Text] Warsaw, July 25—Political Bureau member and PUWP CC (Polish United Workers Party Central Committee) Secretary Jozef Czyrek received chairman of the Belgian Chamber of Representatives Charles-Ferdinand Nothomb, now on a visit to Poland. Both sides discussed Poland's current socio-political situation and Polish-Belgian relations.

Belgian ambassador to Poland Thierry de Gruben took part in the talks.

Ceausescu Grants Interview to Spanish Paper

AU2607204489 Bucharest AGERPRES in English 1820 GMT 26 Jul 89

["Interview Granted by Comrade Nicolae Ceausescu to Spanish Daily ABC"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 26/7/1989—Question: In order to inform better the Spanish and the international public opinion please, dear Mr President, present through our newspaper the current stage of development of your country and the way you view its evolution. What goals prompt the Romanian leadership to proceed to the modernization of the rural localities?

Answer: This year 45 years are celebrated since the antifascist and antiimperialist revolution of social and national liberation which marked a new stage in Romania's development. In the past Romania was an agrarian-industrial country and poorly developed. This had been caused by the domination of foreign empires which lasted for several hundred years, followed then by that of capitalist and imperialist monopolies and trusts, which lasted for over one hundred years.

Since 1944 Romania has traversed several stages in its economic and social development. Now we consider Romania to be at the stage of building the multilaterally-developed socialist society. We have eradicated the exploiting classes and achieved a new society where the main means of production are in the hands of the working people—workers, peasants and intellectuals.

Romania has become an industrial-agrarian country in full swing. Compared to 1945 industrial output has grown 135 times, more than 120 times after the Ninth Romanian Communist Party [RCP] Congress, in 1965, which has opened an epoch of great and deep-going renewal in all the domains.

I believe that only a few countries in the world have managed such a growth of industrial output. Virtually we have developed all the modern industrial branches by means of the most advanced technology.

Over the interval the agricultural output has grown more than 10 times.

Setting out from this, national income has grown more than 40 times. This has provided due means for the implementation of vast economic and social development programmes as well as for improving the material and spiritual standard of living of the people.

Concomitantly, science, culture and education have strived considerably, being decisive factors for the socialist development as actually for the progress of any nation. We have set out from the fact that without a powerful development of science, education and culture we cannot build an advanced society.

At the same time we have set out from the need to distribute forces of production and industry throughout the country. There is no county to have failed achieving powerful development in the areas of industry, agriculture and in all the economic and social sectors. Virtually we plan to ensure a balanced development of the counties, also in point of industrial output per inhabitant, of agricultural output and services, thus creating conditions for the levels of development of counties all over the country to come ever closer to one another. Of course this has asked for certain efforts and even for greater spending, but we have thought it was preferable to take this path since only by so doing will we ensure a better standard of living for the whole people.

We plan to continue the policy of harmoniously developing the whole country. It is in this framework that one must also view our programme concerning the balanced development of the country's towns and communes. In all the localities—both towns and communes—we wish to provide such economic and social development that the principle of self-management may be implemented.

We have virtually ensured a powerful development of towns. Whoever looks at the houses, schools, hospitals, the cultural places and other developments realizes this. We have made many things in the communes, too, but as we pass on to a new stage in the country's development we wish to create conditions for improving the standard of organization and living in these localities, too. First of all we set out from the need for economic development. Next, we wish that citizens may find in communes everything necessary for a dignified life—I mean education, health care, cultural and commercial activities and other needs related to improving the living standards. We have planned to build homes for the specialist cadres and for the workers while helping the citizens of the communes to build better homes themselves so that after some time we may change the looks of all the rural localities.

We set out from the fact that the differences between the people living in towns and those in villages must be as small as possible, and this by improving the living standards in the villages. This is precisely why we have endorsed measures to develop communes still more. We have achieved a lot, but setting out from the current level we wish to change radically the existing situation in the coming ten years. First of all we shall develop agriculture, and also the industrial activities and shall put social conditions in place so that residents may find in villages everything that there is in towns. As a result people will no longer leave their commune for the town, they will stay there, in the commune, we do not wish to create large towns and live communes depopulated. We shall maintain and develop communes as basic units for the development of our society, operating according to the principle of self-management.

We want the society we build—socialist and late communist—to be the society of a people having everything that is necessary for a dignified and free life. We believe that only by so doing will we be able to create a society of people who are indeed equal, in all the areas of activity.

Question: Mr President, many countries reverberated with Romania's announcement that it has paid off its foreign debt. What were the measures taken by the leadership of your country to attain such a prestigious target?

Answer: Indeed, late in March, this year, Romania entirely paid off its foreign debt which amounted to over 11 billion dollars in 1980. We thought we had to pay off the foreign debt since only by so doing could we ensure conditions for genuine economic and political independence. It was not easy, of course. Considering the interest, we had to pay nearly twice as much as the foreign debt of 1980.

At some point we turned to the International Monetary Fund. But its conditions were such that, had we continued to stick to them, we would have virtually disorganized the Romanian economy. That is why several months later we wrote off the accord with the IMF and endorsed measures which we thought would meet the facts in Romania.

I wish to mention that while paying off the foreign debt—from 1980 to 1989—we continued the country's economic and social development. Over the interval we have made investments worth 2000 billion lei, the equivalent of some 200 billion dollars. At the same time we ensured further improvements in the people's standard of living. On two occasions we enhanced all the remunerations and pensions. The second rise in remnerations and pensions ends up this month, on the 31st of July. Thus, the payment of the foreign debt not only failed to infringe upon the development programmes, but we also pursued further developing the economy and the standard of living of the people. Had we not continued to develop our industry and agriculture we could not have paid off the foreign debt.

Now we plan to expand further the international economic relations with other states. Of course, we will no longer resort to credit. All our development we wish to make with our own forces. At the same time Romania is ready to participate in the materialization of economic units in other countries, even by granting some credit, so that we may contribute amply to expanding international collaboration and participate actively in finding solutions to the grave problems of the world economy. This, of course, while ensuring further the country's development along the path of socialism and improving the living standards of our people.

Question: Does the so-called perestroyka exert any influence on Romania? Mr President, do you believe that the part played by Romania is understood by the neighbouring countries and by its allies within the Warsaw Treaty?

Answer: The year 1965, when the Ninth Congress was held, was the beginning of some fundamental changes in Romania's political and social activity. At the time we removed dogmatism, the "unique model", and we took to implementing socialism according to the concrete facts in Romania.

Over this 24-year interval we have operated great changes in our country.

I have talked about the economic and social development. We have turned the entire economy to the principle of self-management and self-administration. We have developed amply the forms of the workers'-revolutionary democracy. On the other hand we have improved the activity of the Grand National Assembly and of the people's councils. We have introduced the principle according to which several nominations are made for a deputy's seat. At the same time we considered that parliament alone is not enough for a new democracy and we have created councils of the working people in enterprises, institutions, in all the domains, with the working people representing at least 30 percent of their membership. The general assemblies of the working people have become organs managing the economic and social activity, in their capacity as owners of the means of production.

We have created national democratic bodies: the Congress of the Working People—in which every fifth year participate 11,000 people, the Congress of Agriculture, in which another 11,000 participate, the Congress of Science and Education, in which participate 7,000 people, the Congress of Culture, in which participate some 5,000 to 6,000 people. All these congresses debate fundamental questions related to the activity in all the domains, decide the country's general policy, domestic and foreign. Between the congresses there are national councils—consisting of 1,500 people, such as the council of the industrial working people, of 1,300 people, such as the National Council of Agriculture, and adequately, councils for other domains.

Question: Therefore you think you have been restructuring here, in Romania, before others have?

Answer: We are talking about the development of society, democracy included, in keeping with the facts in Romania. Now we work to modernize—based on science and technology—the entire economic and social activity. We believe this is the fundamental question.

True, in many countries attempts are made to find a way, measures are taken to improve activity. Yet, we believe this to be a task incumbent on the party and state leaderships in each and every country. We are concerned that everything done in this respect should take into account the interests of the working class, the peasantry and the intelligentsia, of the people as a whole, and provide the socialist development of each and every country.

It has been some time since we have worked out the thesis that socialism we build with the people and for the people. One cannot speak of socialism unless taking people into account, unless it is achieved with the people and for the people. Therefore we consider that everything that is being achieved in this respect is good and we wish that all the countries should ensure such improvement—under the

names chosen by each of them—while necessarily taking into account the development of the socialist construction, that is while going ahead, not backwards.

Question: Mr President, would you be so kind and tell us how can the observance of the human rights may be viewed in Romania after the signing of the Helsinki Final Act?

Answer: Romania participated very actively in the working out of the Helsinki documents.

As far as the application of the Helsinki documents by the signatory states is concerned we believe that as a whole certain steps have been made, but there are still many things to do with a view to implementing the basic provisions concerning security, disarmament and the economic, technical and scientific collaboration. Because these are basic requirements of the Helsinki documents. As regards human rights, Romania has always started from the fact that the basic human rights must be ensured as they are laid down in the documents adopted at Helsinki but also in the charter of human rights—which include: the right to work, to education, to housing, to a decent, free life. We can state with justified pride that we have done our utmost to provide the best possible conditions for all citizens. For instance, we take action for all young people to have guaranteed jobs. Or, for solving the housing question. We have long eradicated, already in the first years of the revolution, the inequalities as regards the equal rights between women and men.

So, I could say that we have applied and we attach special importance to achieving everything that is necessary for the people, for all citizens without any distinction whatsoever, to enjoy fully equal rights, everything they need for a decent, free and independent life.

Question: What can you tell us, Mr President, about the individuals' free movement—which is a part of the human rights question, too?

Answer: We ensure the observance of all rights within the limits of legal provisions, as the Helsinki documents too stipulate, by stressing that everything must be achieved in keeping with each country's laws.

There is no field but Romania acts in behalf of the working people. In the individuals' movement and emigration included, although we are against emigration.

We consider that people should not leave the country where they were born, that they must stay and work there in order to build a better future for themselves. In fact, the fate of emigration is nowhere enviable, and I think you know a lot about the situation of Spanish emigrants to various countries. We do not stop anyone who wishes to leave to do so. But neither do we advise people to leave. On the contrary, we tell them they should stay here. This has always been our view. Man can only build a better life for himself in the country where he was born, together with the people to which he belongs. And I think this is a deeply humanistic outlook.

Question: Mr President, I should like to ask you how the right to assembly is ensured in Romania.

Answer: Conditions for the masses' participation in managing society are guaranteed not only in the constitution but also in practice. Within the mass and public organizations, a large number of assemblies are held and so are general assemblies of working people, in their capacity as owners and producers, in which they voice their opinions and advance proposals, deciding on the entire socioeconomic development. Consulting the masses, the entire people, on essential questions of society is one of the basic sides of our party's policy of building sociaism with the people and for the people.

Undoubtedly, I wish to say this openly, we do not admit nor shall we ever admit fascist, antisemitic or other manifestations of a similar nature. We consider these are not a right but a violation of democratic freedoms. That is why we are deeply concerned over what is happening in certain countries regarding the rebirth of various fascist groupings. Because we recall what happened in the '30s-'40s and we do not want such things to repeat ever again.

Question: Mr President, what is your country's stand on the prospects of the Common Market and its aspiration to achieve a Europe without frontiers by 1992?

Answer: Romania has for a long time maintained relations with the Common Market as an organization.

As regards its plan to achieve a Europe without frontiers until 1992 I consider this to be a problem of the member countries and I would not like my answer to be interpreted as an act of interference in their domestic affairs. However, I do not think such an objective will be attained in so short a period.

Approaching the question in principle, Romania considers that one must take into account the fact that independent nations will continue to exist for quite some time, as it is difficult to assume that countries will give up their independence that easily. Neither economic nor political conditions have been created for such an organization.

We declare for collaboration among all the states on the continent, on the basis of the principles of equality, observance of independence and noninterference in domestic affairs. We are for collaboration between the EEC and the CMEA. But we also are for a Europe of free and independent nations.

We consider that a Europe of independent nations is more appropriate both for the current stage in mankind's development and for a long, long time to come. Such a Europe alone will ensure the more marked progress of each country and of our continent as a whole.

Question: Over the last years Romania has played a significant role in the East-West relationships, the same as in the Arab-Israeli dialogue. Mr President, how do you assess Romania's future undertakings along this line?

Answer: Romania has always pronounced and worked for a broad expansion of its ties with all states, regardless of social system. It is in this spirit that we have acted vis-a-vis both European and other countries of the world. We have firmly insisted that relations should be based on equality of rights, observance of national independence and sovereignty, noninterference in other countries' domestic affairs and mutual benefit.

As regards the Middle East, we have always declared for a negotiated settlement of the issues. We have worked for the organization of an international conference attended by all states concerned, including Israel and the Palestine Liberation Organization. Now we consider that better conditions are met to convene such a conference.

As far as Romania's future international activity is concerned, we shall continue to act in the same spirit, developing our relations with all states, relying on the principles I have referred to. We consider it to be the only way to achieve relations of collaboration, to overcome many serious issues facing international life.

First of all, we shall work for disarmament, for nuclear disarmament, starting from the fact that all nuclear arms should be scrapped. We firmly pronounce for the cessation of the production of new nuclear weapons, for NATO's renunciation of up-dating tactic and short-range nuclear arms, for the total elimination of nuclear weapons from Europe and the world. We are for conventional disarmament—in fact we play full part in the Vienna negotiations. We declare for the settlement of underdevelopment-related issues, for a new world economic order. We pronounce for a global solution to the issue concerning the developing countries' foreign debt.

In general we deem it necessary that all states should adopt—as they say—a new kind of thinking, but also a new way of acting in the spirit of that new thinking, by giving up force in international relationships and interference in the domestic affairs of other states. In this respect, we consider that certain attempts at destabilizing the situation existing in certain socialist countries, the calls addressed to them to adopt certain capitalist forms run counter to the policy of detente, to the policy of collaboration. Obviously, in the long run these actions are doomed to failure. However, they will clearly affect the policy of detente and collaboration if such a way continues to be pursued.

In general, everyone should understand that there is only one way to collaborate, to settle major international issues—that of equal collaboration, noninterference in other states' internal affairs, every people's right to choose the development path it wishes. It should be known that the peoples which have chosen the socialist path will not give it up upon the insistence or vague promises of certain countries or governments.

Question: In your opinion, what is the situation of the European and world communism in the perspective of the year 2000?

Answer: In general, the world is undergoing deep changes. Under the circumstances, there is no doubt about the fact that the socialist countries are faced with new problems regarding the better organization of society, taking into account the latest gains of science and technology.

You see, there is a particularly serious situation in the developing countries. These countries are faced with the question of survival proper—and it concerns four billion people. It is obvious that this grave situation cannot go on. As a matter of fact these countries declare it themselves every day.

In the developed capitalist countries the situation is not in the least rosy, though they manage to solve some of their problem with the scores of billion dollars annually accumulated from the developing countries. Unemployment has become chronic. In all the developed countries annually 20-40 per cent of the youth can find no jobs. A new phenomenon has cropped up—illiteracy in the developed capitalist states, the U.S. included. And this is something taken from official statistics. The number of poor people has increased very much since 1980. The U.S. alone recorded 32 million poor people last year. At the same time important growths in the number of the poor have been registered by the other Western countries. The number of homeless people has also risen, the same as that of drug addicts. Delinquency and other negative forms have reached worrisome levels.

Question: Do you think that the situation of the Western countries is more critical than that of the communist countries?

Answer: Yes, it is much more critical. And if these negative states of affairs are not addressed in due time they will lead to extremely serious consequences. We must not forget that Hitler's victory in Germany took place in similar circumstances.

Last year, in some of these countries, 30 per cent of the young people did not have any jobs. What do these people do? Where are they going? There are tens of million people in a difficult situation.

I knew unemployment in Romania in the 1930s. I also knew fascism. I therefore consider that one cannot help seeing the very serious situation of the Western world.

Everybody asks: Why is criminality growing at alarming rates, especially in the U.S. according to official data? Terrorism itself is the result of this situation. People who have no prospects are ready to do anything in the end. That is why, if things are realistically analysed, we can see what serious problems have to be solved in capitalist countries. The problem is that developed capitalist countries must also draw conclusions concerning the changes that are imperative even among them, and there are many of this kind.

As concerns socialist countries it is obvious that socialism has obtained very good results, that all socialist countries have developed a lot. We talked about Romania, but there is no socialist country which has not made great progress.

Certainly a series of new problems have come up and each socialist country is preoccupied by the way of ensuring its further development. This will lead to the development of the socioeconomic activity. Although tendencies which cannot be applauded are registered, I am sure that on the overall, these changes will dynamize and will give a new perspective to the development of socialism. I am convinced that, in the years 2000 socialism will be a prospective society for the whole of mankind, which offers and will offer the guarantee of solving problems on an equitable basis—of liquidating inequalities, both on a national and an international plane.

In fact, there is no other way. Mankind has known several social orders starting with the primitive commune, but it always went forward, not backward. And socialism is the future of mankind.

Undoubtedly, like any society, socialism knows and will continuously know improvement. In this bettering process inequalities, oppression must be liquidated and a society of social justice must be created where man should be really free, participating in the management of the society.

Question: Knowing the good relations that exist between Romania and Spain how do you consider, Mr President, the development of relations between our peoples in future? What would you address the readers of our publication, the Spanish people?

Answer: Relations between Romania and Spain are generally good. Even economic relations have reached a good level, although, in my opinion, there are great possibilities for the more powerful development of Romanian-Spanish economic, technical-scientific and cultural relations.

Starting from that and from the traditional relations between the two countries and peoples, I consider we have everything needed to develop this collaboration and even more, to extend, together, our collaboration with other countries—I would mention, first of all, the Latin American countries, but also those of Europe end of other continents. I think our countries are both interested in a policy of peace, of collaboration among all nations of the world.

We can cooperate more in order to ensure a policy of broad collaboration in Europe—but only among independent states, because, on my opinion, they represent the future, for a long time from now on.

In conclusion, I would like to address the readers of your publication and the friendly Spanish people, the best wishes of socioeconomic progress, welfare and happiness.

LCY Presidency Calls for Unity, Reforms

LD2607204689 Belgrade TANJUG in English 1406 GMT 26 Jul 89

[Text] Belgrade, July 26 (TANJUG)—The League of Communists of Yugoslavia (LCY) Presidency today urged the party leaderships of the Yugoslav republics and provinces to direct their energies to a social and economic reform, instead of engaging themselves in unproductive and unprincipled confrontations.

In a statement released on its session held yesterday, the Yugoslav party Presidency states that the economic and political crisis in the country have been growing more acute, that the necessary unity concerning the implementation of a social reform has failed to be achieved and that the inability to resolve the accumulated social problems results in confrontations between individual leaderships and aggravates the political climate.

Discussing the platform for the activity of the Yugoslav delegation at the 9th non-aligned summit, to be held in Belgrade from September 4 to 7, the LCY Presidency once again underscored that the Belgrade summit would be of the greatest international importance and that all social subjects in the country must, therefore, invest utmost efforts to ensure the successful work of the conference.

Criticizes 'Nationalist Incidents'

LD2607205389 Belgrade TANJUG in English 1828 GMT 26 Jul 89

[Text] Belgrade, July 26 (TANJUG)—The Yugoslav state Presidency today called all state authorities to abide strictly by the law while preventing nationalism and chauvinist incidents and occurrences.

The state Presidency today discussed the letter by the republican Presidency of Croatia and the information by the Yugoslav Interior Secretariat on some disturbances of peace and order during the recent marking of the 600th anniversary of the Kosovo battle in the republic of Croatia, which adversely affected the inter-nationality relations.

The Yugoslav state leadership condemned the incidents, as well as a number of other nationalist excesses that took place in the meantine.

Therefore, bearing in mind warnings from other parts of the country on nationalist excesses, the Presidency demanded a strict implementation of the law against all individuals who disturb inter-nationality relations in the country by carrying various symbols and banners, or fan national hatred and create national divisions in any other way.

'Vigil' Organized by Human Rights Group

LD2607162689 Belgrade TANJUG Domestic Service in Serbo-Croatian 1215 GMT 26 Jul 89

[Text] Ljubljana, 26 Jul (TANJUG)—A "vigil" was organized today outside the Slovene Assembly when the assembly was in session. The "vigil" has been organized by the Committee for the Protection of Human Rights as a show of support for the four men sentenced at the well-known "military trial" in Ljubljana.

Leaflets with slogans "The freedom for the four—our freedom", "Against the illegal and illegitimate verdict", "Against a police state", and "The trial must be reopened", were distributed to pedestrians, assembly delegates, and journalists.

Loncar Speaks About Upcoming Nonaligned Summit

AU2607112989 Belgrade POLITIKA in Serbo-Croatian 22 Jul 89 p 2

[Z. Rakic report: "The Nonaligned Countries Keep Pace With the Times"]

[Text] The conference of nonaligned countries in Belgrade is the biggest international event in the world this year. Budimir Loncar, federal secretary for foreign affairs, said at today's meeting of the Belgrade Socialist Alliance of Working People Political Aktiv that we expect the presence of 162 delegations, about 80 heads of states or governments, representatives of 17 guest countries, and 10 permanent observers and guests from international organizations. This was one more in a series of recent "statements" to the public by the foreign minister, which this time discussed in detail the final preparations for the summit conference of nonaligned countries.

Loncar then briefly recalled the history of the Nonaligned Movement and discussed the current world situation and especially the movement's new role, which must be set out in detail at the forthcoming September summit in the Yugoslav capital.

Twenty-eight years have passed since the first summit was held in Belgrade, Loncar recalled, and it can be said that this has been a most significant period in the history of mankind, more memorable for its good than its evil. During this period, three significant factors have been in parallel operation in the world: two military-political blocs, and the Nonaligned Movement. However, only nonalignment has spread, because the movement has grown from 25 members to 102.

In the view of the secretary for foreign affairs, this has been a logical development, because only the nonaligned countries offer a new vision of the world, without polarization or conflicts. The most recent summit in Harare contributed to the further rise of the movement,

above all regarding its size. However, it did not succeed in predicting what would happen in the world in the following years, the dilemmas of the superpowers and the members of both blocs.

The Main Task

Recognizing this truth immediately prompts the question of whether the forthcoming Belgrade summit will succeed in avoiding the same "mistake." According to Budimir Loncar, the main task of the forthcoming nonaligned summit meeting will be to answer this question. The movement must keep pace with the world, and change the way it works, so that events will not relegate it to the margin of world affairs.

The Yugoslav minister for foreign affairs then spoke in rather more detail about essential features of the current international situation. In his view, mankind has emerged from the peril of global conflict, but is still far from establishing world prosperity. The theory of the balance of deterrence has been superseded, but the new idea of the balance of common interests has still not "triumphed." In the earlier period, the nonaligned countries opposed polarization and divisions, and must today join the new processes which must be specifically discussed at the Belgrade summit.

The movement's main principles remain unchanged, Loncar added, but they must be acted on and made concrete. The movement has always been able to reach agreement easily on long-term goals, for example on the need to construct a new international economic order, but has always been a little "shaky" when it has been necessary for us to agree on a specific issue.

Speaking about our role as hosts, Loncar pointed out our country's great responsibility as the future chairman of the movement. World interest in the movement has grown (Loncar provided illustrations of this from recent talks with top-level representatives of the United States, the Soviet Union, and Great Britain), and the desire expressed by Australia, Canada, New Zealand, Hungary, and Poland to assume the status of guests at the summit is particular proof of this.

Most of All About Kosovo

Replying to a question about the role of our diplomacy in spreading the truth about Yugoslavia to the world, the federal secretary was explicit:

Yugoslav diplomacy is being blamed for mistakes which it has not committed and for which it is not responsible. He illustrated this with the example of the visit of the delegation of the European Parliament. The SFRY Assembly organized this visit, Loncar said, but did not do it well. Later, two totally different interpretations and views of the visit of the European parliamentarians appeared in our press, and no diplomatic body is able to correct the impression that has arisen in the world.

In conclusion, the chief of the Federal Secretariat for Foreign Affairs said that our diplomacy works on the principle of a Yugoslav philosophy, and that there have been no nationalist excesses. Diplomacy cannot create, but can only explain, the truth about a country.

During the last 1 and ½ years, Loncar said, I have talked with 196 ministers of foreign affairs, and it might be said that the problem of Kosovo took up 90 percent of the time. Because of all the ferment in Yugoslavia in recent years, its reputation has gradually fallen, but the country's historic values have not been put in doubt.

Loncar Addresses Joint Assembly Session
LD2707033689 Belgrade TANJUG Domestic Service in Serbo-Croatian 0630 GMT 26 Jul 89

[Text] Belgrade, 26 July, (TANJUG)—The world needs us as a stable and successful country, as this is in the interest of general security. This general interest, which coincides with our most serious internal crisis, should be properly assessed. At this moment when we are trying to resolve our most immediate and difficult tasks, it is therefore important to have a firm and united stand on the issue of Kosovo and on the Federal Executive Council's charted program.

This was stressed, among other issues, by Federal Secretary for Foreign Affairs Budimir Loncar in a report he submitted today at the joint session of the SFRY Assembly's two chambers. The report is devoted to the preparations for the 9th summit of nonaligned countries in Belgrade.

Loncar made a link between Yugoslavia and the interests of the wider international community in that part of his report which dealt with interdependence as the philosophy of the present time. He chose to expand on this topic in order to draw attention to the need to modernize the Nonaligned Movement.

At the outset of his report, the federal secretary talked about the historic distance of 28 years since the foundation of the Nonaligned Movement. He pointed out the visionary attributes of Tito and other leaders—founders of nonalignment.

The first summit in Belgrade correctly perceived future directions in which international relations would develop. This has been confirmed today. Gradually but with obvious effects, detente is assuming dimensions wider than in preceding decades, Loncar said. In his view, it is realistic to expect further consolidation of the process of cooperation and diffused confrontation between the superpowers despite the fact that oscillations, disruptions, and fresh tensions in East-West relations are still possible.

Noting that the world was no longer so evidently bipolarized, Loncar said that the initial steps had been made to slow down the arms race and to embark on the process of disarmament. According to him, considerable, albeit still initial, successes have been made in extinguishing the hotbeds of crisis.

New developments are evident in the processes of international integrations. In Europe, there are nascent forms of cooperation which could end up having an all-European character. The process of reform has gripped many countries of the political East. The doors of communication between East and West are being opened wide.

The result of these positive changes is the recognition of interdependence—in politics and security, existential and ecological interdependence, and other areas.

On the other hand, the effect of unfavorable developments in the world and, primarily, in North-South relations, is the failure to recognize interdependence in the socioeconomic and technological sphere.

The Yugoslav foreign secretary warned that prospects for stable peace could not be assessed independently in individual parts of the world, and without regard to a deep rift between wealth and poverty in the world.

The world is changing and opinions are constantly evolving. What is Yugoslavia's conduct in all this, Loncar asked. At the time of bloc confrontations, Yugoslavia was a specific buffer zone where divisions ended. The country was constantly exposed to potential or acute pressures from one bloc or the other, but at the same time it was to some extent protected by its own interests, Loncar stressed. Today, favorable trends in the world serve to consolidate our security as well.

However, the political unrest which has undermined almost all the cells of our society is fraught with danger, threatening Yugoslavia's internal structure and its reputation in the world.

Loncar noted that we lagged behind what we ourselves opted for. We were pioneers of nonconformist socialist thought, the precursors of reforming moves which only now, after so many years, others have begun to make. The stagnation and the crisis in the country have reduced Yugoslavia's capacity to influence and have devalued us as the example—and I can say this without any false modesty, which we once were to others.

Loncar warned of the danger of transfering the confronting views on our internal scene onto the foreign policy sphere. It is my duty and responsibility to state that the Yugoslav diplomacy is doing its utmost loyally and consistently to continue the best traditions of this country. It, Loncar continued, serves the best interest of our country alone, thus leaving no room for divisions among our own ranks.

The SFRY diplomatic service could, however, be even better. without trying to avoid this fact, Loncar said that a special debate on foreign affairs in the SFRY Assembly, as the main body responsible for outlining Yugoslavia's foreign policy, would be very useful.

Unfortunately, we are not making proper use of our awareness of interdependence in the world here in our own home. The world sees us as burdened by regional autarchies, neglected integrational processes, and the lack of awareness of the importance of technological innovations and their impact on production and social relations. Despite all this, our long-term options and our visions of the future lag behind no others; we are ahead when it comes to all the factors instrumental in bringing everyone in the world closer. This, according to Loncar, is one of the fundamental characteristics of nonalignment which, as part of the efforts to modernize the movements, should be fully prompted at the summit in Belgrade. This is of long-term strategic importance. It is all the more important to ensure that potentials—and these are quite substantial—for further moves in this direction are not hampered by our internal rifts and blunders. We must bring order into our own home in accordance with outlined reforms and with the aim of updating our federalism, and bring about democratic integration in Yugoslavia. This implies a consistent implementation of the country's single foreign policy.

Speaking about Yugoslavia's priorities in its foreign policy, Loncar placed Kosovo at the top of the list saying that Kosovo is a test for our sovereignty and integrity, for our reforms and our commitment to further democratization. With special emphasis,he noted that when even the smallest part of the country is under threat, the entire country is also threatened. He added that the introduction of special measures was not implemented out of pleasure but that no one had the right to avoid his share of responsiblity. No serious government in the world would expose its country's integrity to danger. He said that comprehensive reforms could not and would not bypass Kosovo. Loncar noted with regret that, either unintentionally or out of malice, the world is not united in its view of the truth about Kosovo, its roots and essence.

The next on the priority list are human rights and freedoms which Loncar described as among the greatest achievements of our civilization and as being of uppermost common interest for the international community at the threshold of the 21st century. We are introducing in the drafts of the summit documents the issue of human rights as a symbol of new times and as a link with the preoccupations of that world with which the nonaligned must search for common grounds. He stressed that on both the internal and the world scene,Yugoslavia had always been in the forefront of the struggle to defend those spiritual and social values which genuinely promoted human freedoms. We are convinced that Kosovo will demonstrate that to point the finger at Yugoslavia was neither well-founded nor, I would say, wise.

The next on the list of priorities are our neighbors. The development so far of multilateral cooperation in the Balkans has validated the Yugoslav initiative and the Belgrade ministerial meeting of the Balkan countries. This does not mean that Yugoslavia is harboring illusions that some of the serious problems could be resolved quickly and easily—for instance, the issue of the status of Yugoslav minorities in some of the neighboring countries. Yugoslavia does not want these problems to become an obstacle to cooperation,but neither does it accept that cooperation could be successfully developed while these issues are being circumvented. The diplomatic service will continue to treat these issues as permanently topical and will insist on them precisely for the benefit of the further development of our cooperation with neighboring countries.

Loncar also made reference to relations with Albania. We cannot tactitly bypass the absurd lectures directed at us occasionally from Albania, a country which does not occupy an enivable position on the international list of countries which respect human rights, both the basic ones and those concerning national minorities.

Yugoslavia and European integrations is an issue which also features high on the list of priorities of Yugoslav diplomatic service. In this context Loncar stressed that the Federal Executive Council's program of economic reform had been received well in the world, in our bilateral contacts, in the IMF and world financial institutions. Loncar's view is that with such a program we could embark on the road toward an agile and dynamic Europe. It is understandable then that Yugoslavia is preoccupied with what European integrations entail. Loncar stressed that Yugoslavia will join in European trends as an independent, nonaligned, Mediterranean, European developing country. We must therefore strive towards a pluralist Europe in which the SFRY's specific features will occupy a legitimate position, Budimir Loncar stressed.

The federal secretary for foreign affairs said that without Yugoslav integration there could be no European integration, no matter how much we wished that. He also said that Yugoslavia could not achieve wide integration overnight. He said that Yugoslav integration has to be based on the market economy, which implied the same economic logic on the entire Yugoslav territory, with obligatory standardization which are, first a visa for the European and world division of labor. The second condition is the pluralism of the political system, but it should not be pluralism based on republican divisions, since with such a pluralism, self-destructive for us, we are not needed by Europe or the world.

As the third necessary option for joining European integration processes, Loncar cited the development of the SFRY legal system and its harmonization with the overall reform orientation. The relations with CEMA should, of course, start from the same principles, Loncar stressed.

Budimir Loncar also singled out the attitude towards people from Yugoslavia temporarily or permanently staying abroad as one of the foreign political preoccupations. We must understand how much our compatriots emotionally feel our disagreements and that as a result of this they often tend to accept, under various influences, one-sided, exaggerated, or distorted pictures about their country and the situation in it. The Yugoslav federal secretary for foreign affairs in particular spoke about the policy of nonalignment as one of the key priorities of the SFRY. The nearest priority in this sense is the September summit and the Yugoslav role as a chair of the movement for the next 3 years. Speaking about the Nonaligned Movement within new conditions, Loncar said that the movement should respond to new challenges, first of all to those coming from among its own ranks. This implies the necessity for strategic innovations, and this is a long process. The 9th summit wishes to mark the beginning of this process with a new kind of documents. They will be ten times shorter, much easier to understand, and closer to the understanding of all factors in the world, Budimir Loncar said. The documents from the summit will reflect the time and needs of the movement, the situation among its own ranks, the willingness and understanding of 102 of its members.

Loncar said that confrontations were no longer dominant on the world stage—practicality and pragmatism are. This implies, first of all, a more sober re-examination of one's own place and one's own possibilities by those who play the greatest role in the world's fate.

The Nonaligned Movement, as a political force with global aspirations, can offer an acceptable concept, not in the form of a plea, but a developed study, based on facts in which everybody can identify their own interest.

The concept of a balance of shared interests is being created on the relations between the two blocs, while the concept of a balance of power is pushed back. Loncar asked the question about the way in which this concept could be spread towards North-South relations. For nonaligned countries this will be the most difficult task which will demand that not only maximum efforts and accumulated efforts are implemented, but a realistic and pragmatic view of the world as well. It is a good thing that the atmosphere created by the concept of a balance of shared interests between East and West also breeds a favorable climate in which the question of developing a world balance of economic interests can also be brought into focus.

I should not elaborate in particular on the problem of world debts since the assumptions which I have just mentioned also refer to this, at this juncture the most dramatic problem of the world development, Loncar said.

Speaking further about the future of the policy of nonalignment, the federal secretary for foreign affairs said that it would be illusory to expect nonalignment to

answer successfully to all demands of our times while it is changing only itself. But, changing itself, nonalignment will open up ways for dialogue and will join the world convoy which only when integrated has a real chance to reach a reliable security, peace, and progress for everybody.

Loncar commented on the role of Yugoslavia as a host of the 9th summit and chair of the movement. He said that chairing the movement was an expression of a great trust and that it offered significant opportunities, among other things, for the consolidation of Yugoslavia as an active, useful, and much-sought member of the international community.

Loncar did not miss the opportunity to say that in all contacts, talks, and statements by the government outside the movement, a positive assessment was made of the fact that Yugoslavia is becoming the chair of the movement, since this, as he said, facilitated the consolidation of realistic views in the big group of nonaligned countries.

What are the real opportunities offered to Yugoslavia?

First, Loncar says that it is possible that Yugoslavia at least partly unloads its burden of psychological and political hang-ups of seeing itself primarily though the prism of its own difficulties. Second, he expects that the Yugoslav performance at the conference would assist the reaffirmation and development of the country's prestige as a factor acceptable to everybody in the world. Such a prestige is of exceptional significance for our overall international status.

Third, apart from this, Yugoslavia is also gaining the opportunity to directly influence contemporary international events, to be more present in the world. This makes it possible to develop relations which would best correspond to both our national interests and those of other countries.

Fourth, the role of Yugoslavia in bilateral relations also gains weight, and from the position of the present immediate needs and interests this is perhaps the most precious result that the SFRY can expect, Loncar stressed.

Therefore, he pointed out the need for our responsibilities and obligations at the conference and afterwards to be realized as much as possible. This requires efforts by many factors and individuals in the country and I believe that here we can, as it has been the case so far, count on the full contribution from the SFRY Assembly.

In conclusion, Loncar said that he believed that this also implied a need for an appropriate adjustment of the foreign political service to new tasks. Immediatelly following the 9th summit, the federal secretariat for foreign affairs will present concrete proposals on this.

Party Presidium Discusses Congress Preparations

AU2607121789 Belgrade Domestic Service in Serbo-Croatian 1200 GMT 26 Jul 89

[Text] At its session held yesterday, the Presidium of the Central Committee of the League of Communists of Yugoslavia discussed the political situation in the country and the tasks of the League of Communists of Yugoslavia concerning the preparations for the 14th extraordinary congress. The session stressed that the economic and political situation is becoming more exacerbated and that the necessary unity for carrying out the social reform has not been achieved. It was also stressed that incompetence and the lack of readiness to solve some of the most topical social problems is increasingly turning into a confrontation between certain leaderships, which makes the total situation even more difficult.

Party Commission Discusses Foreign Policy

AU2607143489 Belgrade BORBA in Serbo-Croatian 21 Jul 89 p 8

[V. Matovic report: "Chauvinism With Identity Card"]

[Text] Belgrade, 20 Jul--The key element of the Albanian leadership's policy, when viewed in continuity and as a whole, and Albania's internal and foreign policies, is the emphasis on the "national-patriotic" approach, which is in fact pronounced nationalism. Thanks to Enver Hoxha, the current leadership is trying, just as Hoxha did for decades, to affirm its identity in the eyes of its own people by stressing that its mission and ultimate aim are to unite the nation and gather together all Albanians in one state....

This was one of the introductory theses for today's session of the Commission for International Relations of the Central Committee of the League of Communists of Yugoslavia discussing the topic "Albania today, and the future of Yugoslav-Albanian relations." The introductory speech was prepared by a group of academicians who work on Yugoslav-Albanian relations in our most famous research institutions.

Despite the fact that the introductory speech contained extremely sharp assessments of the mistakes and weaknesses in our foreign policy strategy and our policy toward Albania, at today's session they were found to be insufficiently critical of and inappropriate for Tirana's behavior. Among other things, the assessments were criticized for resembling the usual diplomatic acts produced by the Federal Secretariat for Foreign Affairs: they were too general, they adopted the same approach toward Albania as they did toward other neighboring countries, that is to say a good neighborly approach, although the behavior of that country has noticeably been different for decades, even hostile, from that of the rest of our neighbors.

The open support for separatists and events in Kosovo have placed that country among the countries whose behavior and politics directly threaten the security and national integrity of our country. This was stated by Dimitar Hadzivasilev, who presented the views of the Commission for International Relations of the Central Committee of the League of Communists of Macedonia. The recent events in Kosovo confirm the assessment that there is a close correlation between the situation in this province and Albania's policy toward our country.

Jaksa Petric spoke about disorganization in our foreign policy activities: The policy toward Albania should be coordinated by the SFRY Presidency and the special Committee for Yugoslav-Albanian relations. He said that he, as president of the Federal Council for International Relations, was not aware of any act produced by this Committee or what this committee did at all. Momir Stojkovic recalled that shortly after the famous speech by Lazar Mojsov in the SFRY Assembly, many people in the country started to act from the completely opposite platform, because many of them were of the opinion that these views were not the views of the SFRY Presidency, but only of an individual who was a member of the Presidency at that time.

Vojislav Pekic also spoke about the weaknesses in our foreign policy and about the door being wide open to Albanian pretensions. Thanks to this kind of policy, Tirana can declare that it does not have any pretensions toward our territory because it can "gain it from within, through Kosovo." This was the third time in succession that Pekic had spoken in this Committee about the unacceptability of our terminology in opposing Albanian propaganda. Up to the ninth plenum of the Central Committee of the League of Communists of Yugoslavia, our official documents used the term "irredentists," although this term was planted by Tirana through some Kosovo leaderships and leaders. Today, this document is also about "nationalism"—although this term has a positive meaning in many communities—and not about the drastic forms of chauvinism.

Stojan Berber was of the opinion that "in politics one should not be crude, but realistic. Our policy toward Albania has not been realistic for a long time." In his view, the reason for that lies in excessive authority and inadequate knowledge of some of our politicians and forums. Many top officials used discussion forums to speak about the questions which they did not know much about, such as Yugoslav-Albanian relations and the delicacy of these relations. Mirko Ostojic stated that it was in fact in Yugoslavia that a "war, in which all means were used, was being waged against one republic to prevent it from constituting itself in the way agreed. We must let certain 'hot-heads' in our centers know that Kosovo is an example of the way in which they should not behave. We should think about how some of our republics would behave and feel if Italy raised the question of the Slovene coast and the Serbian media and public supported Rome."

Concluding the session, Dobrivoje Vidic agreed that the views expressed in the introductory text were only theses. Replying to some of the most critical views and pessimistic tones heard at today's session, Dobrivoje Vidic said: "At least we Yugoslavs are used to fighting in order to return what to many people seems to have been lost forever."

Pancevski, Others Greet Polish Counterparts

AU2607135689 Belgrade BORBA in Serbo-Croatian 22-23 Jul 89 p 12

[Text] On the occasion of the Polish National Day, Milan Pancevski, president of the Central Committee Presidium of the League of Communists of Yugoslavia, has sent congratulations to Wojciech Jaruzelski, first secretary of the Polish United Workers' Party; Dr Janez Drnovsek, president of the SFRY Presidency, has also sent congratulations to Jaruzelski; Dr Slobodan Gligorijevic, president of the SFRY Assembly, has sent congratulations to Mikolay Kozakiewicz, marshal of the Sejm; and Ante Markovic, president of the Federal Executive Council, has sent congratulations to Premier Mieczyslaw Rakowsky.

FEC 'Not Considering Resignation,' Official Says

AU2607131189 Belgrade BORBA in Serbo-Croatian 21 Jul 89 p 13

[Interview with FEC Vice President Zivko Pregl by Dragan Bujosevic, reprinted from Belgrade INTERVJU: "Trying, Making Mistakes, and Correcting Them"—date of interview and date of publication in INTERVJU not given]

[Text] [Bujosevic] The aim of the Federal Executive Council [FEC] is first to create conditions for a freer economy and thus bring about an upsurge in production, and only then to implement some more direct anti-inflationary measures. Is it in this way that one should interpret Markovic's and your words that production will start falling as of September?

[Pregl] Yes, our intention was to create room for initiatives, to strengthen the potentials for an increase in production, to create a more stable situation with the balance of payments, as well as to make it clear to the public that we will not abandon our market orientation. All of these are conditions for introducing more direct measures in the monetary and financial sphere. Had we done things the other way around, that is, had we started imposing monetary restrictions, we would have completely smothered production. By doing what we have done, we offered enterprises better chances of surviving under limited monetary conditions.

[Bujosevic] What exactly will you do in the monetary sphere in the coming period?

[Pregl] First of all we shall check the results of our previous moves. This will include checking the extent and type of consequences of abolishing the "Yugoslav bills of exchange", of the fact that commercial banks will not be given funds from primary money issue until enterprises repay their debts to them, of the reduction of the federal debt at the National Bank of Yugoslavia.... According to our evaluations, all that we have done to date should reduce monthly inflation to 17 percent in December and make it fall even more quickly next year. Although I like to calculate everything precisely and in advance, that is impossible with inflation at such a rate. This was what Michael Bruno, the man who made up the plan on how to bring down Israeli inflation, has also told me. They also did not have global calculations, but just a series of partial ones. Simply, one should try things, make mistakes, and correct those mistakes. If the measures introduced are not the right ones, then we should adjust them and change them. We shall also introduce measures for agriculture which will be the only branch to enjoy a special status.

[Bujosevic] Is that decrease to 17 percent the only aim of introducing and adjusting these measures?

[Pregl] Yes, only that.

[Bujosevic] Do you really believe that you can achieve 17 percent inflation from the present 30 percent?

[Pregl] Yes, certainly.

[Bujosevic] Your friend Ivo Vajgl has written that you are an incorrigible optimist.

[Pregl] This optimism is based on the stable increase in production, good market supplies, a real increase in wages since the New Year (I am not saying that they are high or that they have made up for delays that lasted many years), and a favorable foreign economic situation. All of these are key prerequisites from which we can embark upon reducing inflation. The other basis of my optimism is the fact that this is the first FEC created by one man. Markovic had a concept and has selected people according to it. That was done without any embellishments or pretenses.

[Bujosevic] All right, if December's inflation is 17 percent, what will happen to us next year?

[Pregl] I have said that any calculations are imprecise. What we should discuss is the speed with which we shall reduce inflation.

[Bujosevic] What do you think about the demands for a special anti-inflationary program? Are there any specific proposals about that?

[Pregl] I have not seen any specific proposals. This is why I took the liberty of telling a delegate, who said at a recent session of the Yugoslav trade unions that if this government is incapable of reducing inflation it should be replaced by another one, that there is no government in Yugoslavia or the world which can reduce our inflation immediately. A government could only postpone it, only to have it increase even more tomorrow.

[Bujosevic] There are opinions, however, that you had underestimated inflation at the beginning. They say that you thought that from 200 percent it would increase to 250, but it increased to 500 and then to as much as 600 percent. The problem lies in the fact that you have overlooked the fact that one cannot know for sure how much a 200-percent rate of inflation will increase.

[Pregl] I do not think that there was any move that we should have made differently. When we came, we did not have any calculations about inflation, but we knew its history, causes, and the order in which we should make moves. We did not have any forecasts, so events did not take us by surprise.

[Bujosevic] Reducing inflation has its price. Do you think that all republics are ready to pay it—because it has to be paid—without formalistically considering their own interests? When I say this I mean all our republics.

[Pregl] You will again say that I am an optimist, but the republics have not approached us with any new calculations; they have only asked that earlier commitments are met. Of course, I do not think that these commitments should be "dragged on" for ever, but we have met all legal commitments properly or reduced them in agreement with the users. Our strong argument in these talks was that we shall meet our commitments on time. This is why we have consolidated the budgetary and extrabudgetary expenditure.

Our approach has never been—and this includes the present discussions about the clearing trade—to make calculations on how any particular measure is going to affect individual republics. We cannot do that, because then we would have resembled a little ship tossed about on the waves.

[Bujosevic] What do you think about the debates on the budget? One would say that you have conceded two out of eight demands made by Serbia: Abolishing the decision to pay for clearing exports in 60 days and transferring exchange rate losses resulting from structural adjustment loans from the Belgrade Bank to the National Bank of Yugoslavia?

[Pregl] I must say that the SFRY Presidency concluded that the budget can be adopted as a temporary measure, so that we did not need any haggling or bargaining. To be honest, I do not know all the details about exchange rate losses, so I do not have the right answer there. Regarding the clearing trade, we informed the Assembly that our decision was unlawful and that we would change it when our claims in the clearing trade were reduced. When they were reduced by $200 million, we withdrew our decision.

[Bujosevic] Is it true that the Soviets are planning to transfer trade with our country to a convertible currency basis as of next year?

[Pregl] That is true. We said that we agree to that, particularly if they can repay us the $2.5 billion immediately. However, the question of this Russian debt will remain. We are now trying to find solutions. One solution would be to use a part of these funds to finance something there whereby it would become our property....

[Bujsevic] There are constant rumors about the government resigning. Do you ever think about that?

[Pregl] No. I think that resignations and recalls are normal elements of a democracy and I do not see any drama there. This team is not considering resignation, because it would be irresponsible not to have enough patience to prevent the first conflict—concerning the anti-inflation program or clearing trade for example—from unseating us.

These facile stories about resignations are a result of weak nerves and the rather low standing that the state and, therefore, the government, enjoys in the country. This is why it is one of our tasks to bring back the moral authority that a government must have. We are doing our best to preserve the confidence the public has in us.

[Bujosevic] So, you are expecting to start your proper term of office next year.

[Pregl] Yes, absolutely. We are planning our activities so that we shall first conclude "Mikulic's term of office" and then start our 4-year term.

Afghan Official Addresses News Conference

LD2507221389 Belgrade TANJUG in English 1930 GMT 25 Jul 89

[Text] Belgrade, July 24 (TANJUG)—Afghanistan, one of the founders of the Movement of Non-Aligned, will on the basis of its constitution remain a non-aligned country, People's Democratic Party of Afghanistan Politburo member and Central Committee secretary Najmuddin Kawiani told a press conference in Belgrade on Tuesday.

He emphasized that Afghanistan's delegation to the forthcoming ninth summit of non-aligned countries in Belgrade would be [word indistinct] President Najibullah.

Kawiani is currently in Yugoslavia on a five-day visit at the invitation of the Central Committee of the League of Communists of Yugoslavia.

Afghanistan hopes that the summit in Belgrade will contribute to the peaceful settlement of the Afghanistan problem, the senior Afghan officials said.

Kawiani noted that initial signs of agreement with the opposition forces are being registered in Afghanistan. There were no longer any direct conflicts between the army of the legal government and the opposition, and the Kabul Government is negotiating with most of the opposition groups in the country and abroad, he said.

Kawiani added that he had in the past six months personally twice met with the leaders of the opposition fundamentalist groups in Baghdad and Tripoli, and announced that he would soon have talks with them again "probably in some Maghreb country."

According to the Afghanistan government's assessment, most of the leaders of the local rebel groups are gradually approaching the stands of the Kabul Government and its proposal for a peaceful settlement of the Afghanistan problem along with the participation of all the interested parties, the United States, the Soviet Union, and under the auspicies of the United Nations.

LCY's Uzelac Meets Mozambican Defense Minister

LD2607221289 Belgrade TANJUG in English 1530 GMT 26 Jul 89

[Text] Maputo, July 26 (TANJUG)—Due to the persistent actions of the forces of peace, particularly of the movement of non-alignment at a time of comparatively (?favourable) trends in international relations, the severe bloc confrontations have been mitigated and dialogues and negotiations have intensified, said Ugljesa Uzelac, a member of the Presidency of the Central Committee of the League of Communists of Yygoslavia (LCY), addressing the fifth congress of the Mozambican Frelimo Party in Maputo today.

Uzelac recalled the traditional cooperation and ties between Frelimo and the LCY which date back to the liberation struggle of the Mozambican people.

Uzelac informed the congress about the situation in Yygoslavia, the policy of the LCY, its views on international relations, and the preparations for the ninth non-aligned summit in Belgrade in September.

Uzelac met with Frelimo Political Bureau Member and Defence Minister Alberto Chipande. The talks focused on bilateral cooperation, international questions and the activities of the movement of non-alignment.

Chipande favourably assessed Mozambican-Yugoslav relations, thanking Yugoslavia for its interest in and assistance to Mozambique.

Drnovsek Receives New Indian Ambassador

LD2607212789 Belgrade TANJUG Domestic Service in Serbo-Croatian 1331 GMT 26 Jul 89

[Text] Belgrade, 26 Jul (TANJUG)—Janez Drnovsek, president of the SFRY Presidency, today received the credentials of Nagendra Nath Jha, the newly-appointed ambassador of the Republic of India to Yugoslavia.

Serbian, Macedonian Delegations Meet, Hold Talks

AU2507200389 Belgrade POLITIKA in Serbo-Croatian 18 Jul 89 pp 1,6

[M. Krstic report: "Yugoslavia Is Endangered Most by the Kosovo Counterrevolution"]

[Text] Skopje, 17 Jul—The most prominent leaders of the Socialist Republic [SR] of Serbia led by Slobodan Milosevic paid a working visit to the SR of Macedonia today. During the talks that were held on the premises of the Presidency of the SR of Macedonia, the representatives of the bodies and sociopolitical organizations of the SR of Macedonia and the SR of Serbia exchanged views on several current socioeconomic, ideopolitical, and other questions that are of importance for the country in general, as well as the questions that are of special importance for furthering relations and cooperation between the SR of Macedonia and the SR of Serbia.

The open and constructive talks, it is said in the announcement issued on that occasion, included the assessment that the complex situation in the country is burdened by a deepening crisis and that the failure to solve this crisis has been threatening the basic achievements of the socialist revolution. It was particularly stressed that there is a need to resolutely cut all disintegrational trends in the economic, political, and cultural life and that this is a basic prerequisite for finding a lasting solution to the causes of the crisis in the Yugoslav society. It was pointed out that the economic reform should be implemented resolutely and consistently on the basis of the said activities as soon as possible. It was stressed that it is necessary to bring down the inflation urgently and stop the fall of the standard of living, something which is an indispensable condition for a successful realization of the reforms that have already been started.

During the exchange of opinions about the economic cooperation in the sphere of associating labor and pooling the resources between the organizations of associated labor from the SR of Serbia and the SR of Macedonia and the possibilities for advancing and broadening this cooperation further, it was also assessed that there are realistic possibilities for and mutual interest in the broader commitment of all economic and social factors at all levels and sectors of life and work. In doing so, one should proceed from the already established lasting self-management and business connections and new initiatives on furthering cooperation, particularly in connection with building a gas pipeline in the south of Yugoslavia, as well as in the field of metal processing, electronic, and chemical industry, agriculture, electric power generation industry, tourism, and other fields.

It was pointed out in the talks that the economic reform will not yield expected results if the reform of the political system and of the League of Communists of Yugoslavia [LCY] is not carried out along with the economic reform. It is therefore very important to start making a new constitution as soon as possible which would democratize the political system and thus intensify the protection of human rights and freedoms, as well as of the law-governed state.

It is particularly important, it was said in the talks between the delegations of the SR of Serbia and the SR of Macedonia, that the new constitutional provisions ensure consistent functioning of Yugoslavia as a socialist federal community of equal peoples and nationalities. Statist, bureaucratic, separatist, and confederalist intentions threaten Yugoslavia's federal character and its socialist self-management.

The New Constitution Should Ensure an Efficient Federation

The new constitution must enable the federation to perform its functions in the sphere of economic policy, particularly in fiscal and monetary fields, as well as the field of economic relations with foreign countries. Without these functions it is impossible to have the unified Yugoslav market function or to join European and world integrational trends.

It was assessed that the LCY and its leaderships bear great responsibility in ensuring political conditions for these urgent changes in the political system during the preparations for the 14th extraordinary congress and during the congress itself. One should therefore make a proposal of the ideopolitical platform for the activity of the League of Communists and of the reform of the political system in order to be able to adopt these documents at the congress and make them serve as action guidelines to communists when adopting the new constitution.

The readiness for resolutely defending Yugoslavia based on the AVNOJ [Antifascist Council of the National Liberation of Yugoslavia], its independence, sovereignty, and territorial integrity was expressed in the talks. It was pointed out that it is necessary to resolutely oppose the growing anti-Yugoslav and anticommunist campaign, the treatment of Yugoslavia as a temporary historical product, attacks against Tito's concept of the Yugoslav socialist federal community, as well as attacks against the Yugoslav People's Army.

Objective and Complete Information Is Necessary

It is in the interest of the Macedonian and Serbian people, as well as all other peoples and nationalities in Yugoslavia, it was pointed out, that equality, cooperation, brotherhood, and unity are developed and strengthened. Such relations must not be endangered by any incidents or excesses. In this aspect, the bodies of the SR of Serbia and the SR of Macedonia advocate a maximum development of economic, cultural, and political links,

objective and complete information about the situation and events in these republics, in order to remove unnecessary conflicts and malicious interpretations of individual events and activities.

The talks also touched upon the question of the status, presentation, and use of the part of the Prohor Pcinjski Monastery which houses the memorial museum of ASNOM [Antifascist Assembly of the National Liberation of Macedonia], and which has a special historic importance for the Macedonian People and the SR of Macedonia. It was agreed that these questions should be settled between the SR of Macedonia and the SR of Serbia on the lasting basis.

It was stressed in the talks today that Yugoslavia and socialism are endangered most by the separatist counterrevolution in Kosovo. Any opportunism, be it in Kosovo or in any other part of Yugoslavia, and particularly any disunity in interpreting and implementing the LCY policy on Kosovo, is resolutely condemned and rejected. The Albanian nationality in Serbia, Macedonia, and Yugoslavia has been enjoying its full national affirmation. This is why assertions about an unequal position of Albanians and about attempts to revise the LCY political course pertaining to the Kosovo problem, are unacceptable and untrue. The creation of a united front of Albanians, Serbs, and Montenegrins living in Kosovo is a prerequisite for ensuring security, equality, and peace in Kosovo. This front can be created only through a persistent and unified struggle of all our peoples and nationalities and LCY members in all republics and provinces.

During this meeting, the two leaderships also exchanged opinions about current questions of the activity of the two republics on implementing Yugoslavia's unified foreign policy, particularly concerning relations and cooperation with neighboring countries.

Serbian Assembly Adopts Internal Affairs Law

AU2607123389 Belgrade POLITIKA in Serbo-Croatian 21 Jul 89 p 1

[Unattributed report: "Industrial Production Growth Highest in Serbia"]

[Excerpts] The "May Analysis", that is, the report on the realization of the policy of socioeconomic development in 1989, was adopted yesterday at the session of all three chambers of the Assembly of the Socialist Republic [SR] of Serbia. Filip Grujic, vice president of the Executive Council, made the introductory speech at the chambers' joint session. Grujic briefed the delegates on the economic situation in the past period and the measures that are to be undertaken.

The most favorable fact in the report was that the growth in industrial production in the SR of Serbia during the first 5 months this year was much higher than the country's average. This and other results are much devalued by the inflation, so the delegates who took part in the debate at separate sessions particularly stressed the need to adopt an anti-inflationary program.

Grujic stressed in particular that it is very important to revive the economic activity, implement the program for reducing the burden of taxes on the economy, protect the standard of living, and particularly ensure social protection for low earners. [passage omitted]

The delegates adopted the Law on Internal Affairs that will be applied in the whole of the republic. Since many people have been away on annual leave, the adoption of some republican laws was postponed until the fall in order to have the debate carried out in the best possible way.

Serbian League Reformist Stands Previewed

AU2607204089 Belgrade BORBA in Serbo-Croatian 22-23 Jul 89 p 11

[TANJUG report: "Self-Management Without the Monopoly of the State"]

[Text] Belgrade, 21 Jul—The debate on the working versions of the proposed document for the 14th Congress of the League of Communists [LC] of Serbia, which was conducted at the last session of the Presidium of the Central Committee of the Serbian LC, was assessed as the appropriate moment to begin briefing the entire Yugoslav public on the suggestions and views of the Serbian LC. Along with the reminder that the LCs of the other republics were also bound by these proposals and views, it was stated that this gave the opportunity to show what are the real and what the invented differences in the League of Communists of Yugoslavia [LCY].

The views (of the leadership) of the Serbian LC are contained in the working versions of the proposed congress resolution and document "The Bases for Democratic Reform in the LC." Although more work will be done on these texts before they are sent to the widest public for discussion in September, we have highlighted only some of the more important orientations on the necessary changes in the political system and in the LC itself.

Self-management: The basic domain of self-management is: the functions of directing development, the general control of and influence on the election of administrative organs, as well as inclusion in the process of managing society through chambers of labor in the assemblies. In this respect, the further development of self-management as the basic social relationship should be freed from the state's present monopoly over the detailed structuring of self-managing relations.

Freedoms and Human Rights: Economic and social freedoms, and human and civil rights, freedom of thought and opinion, the freedom of the press, the equality of citizens before the law, religious freedoms, and the free association and activity of citizens are some

of the prerequisites of socialist political pluralism. Respect for these rights and their effective judicial protection must be ensured.

The Commune: The reform of the commune must allow it to develop as a form of modern communal self-management. Its state and self-managing functions should be separated and the model of uniform communes abandoned. The fulfillment of common needs should be organized to an established minimum and provided in the republic as a whole. Communes should be allowed to freely chose their links, cooperation, and association with other communes.

Assemblies: The bicameral structure of the assemblies of all sociopolitical communities, including the Republic, should be made up of a chamber of citizens and a chamber of labor. This includes the scrapping of sociopolitical chambers and the presidencies of the Socialist Republics and the Socialist Autonomous Provinces. Apart from these chambers, the SFRY Assembly would have a chamber of peoples and nationalities which would be made of representatives from the republics and provinces.

The chamber of labor in the SFRY Assembly, which would be set up on a functional basis [na funkcionalnom principu], would consolidate the political position of the workers class in managing social reproduction and contribute to strengthening the economic and class integration of society and a unified Yugoslav market.

The citizen as a political subject and SFRY national should be represented through direct and proportional representation in his own house of the SFRY Assembly, which would strengthen his political position and contribute to the unity of the Yugoslav community, not only on the basis of national interests.

The Federation: The Serbian LC is for a socialist, democratic federal Republic of Yugoslavia which is in the historic interests of the workers class, all its peoples and nationalities, and all of its working people and citizens. The new constitution must restore to the federation legal and political subjectivity and sovereignty and the powers and instruments to effectively carry out its functions in the sphere of the economy, freedoms and human rights, national equality, national defense and security, and the representation of the SFRY before the international community.

The Serbian LC resolutely opposes separatism and every attempt to transform the federal and socialist Republic of Yugoslavia into a confederation and change its socialist character, and it also opposes bureaucratic centralism.

The decisionmaking process in the organs of the federation should be made more effective so that the application of the principle of consensus is reduced to questions which are vitally important for the equality of peoples and nationalities. The federation and its organs should be independent in carrying out their duties and should be responsible to the SFRY Assembly for their work.

Defense: The Serbian LC opposes all concepts of destroying the Yugoslav People's Army and attacks on it, and ideas and demands for abandoning the concept of all-people's defense and for organizing republican armies and so on. The position and function, as well as the need for the existence of committees for All-People's Defense and Social Self-Protection, and other parallel institutions and bodies in this field should be critically reexamined.

The Socialist Alliance: As the broadest front of all progressive forces in society, the Socialist Alliance is a form of the expression of political pluralism. All initiatives and interests within it should be freely expressed, organized, and linked together. Within it, the Serbian LC will fight for the class character of power and self-management.

The League of Communists: The democratization of the LC along the orientations of the eighth session of the Central Committee represents the permanent orientation of the Serbian LC. This democratization includes the reaffirmation of democratic centralism and the universal principle of the construction of relations in the LC.

The Serbian LC will continue to resolutely fight against deformations which transform democratic centralism into an instrument of command over the membership and organizations, which bureaucratize the LC, facilitate the political monopoly of narrow groups, and separate it from its own workers class foundations. On the other hand, exchanging the principle of democratic centralism with consensual democracy does not contribute to the democratization of a united LCY but leads to its federalization. The Serbian LC adheres to the view that the advocacy of strengthening the unity of the LCY is not a return to bureaucratic centralism.

The Majority and Minority: The Serbian LC advocates a democratic dialogue in which expressing differences in opinion is the natural way to reach the best solutions. In such conditions, the relationship between "the majority and minority" in the LC regarding specific issues represents an integral part of the democratic struggle of decisionmaking opinions for the most progressive orientations with which political action will be initiated in a united way. Therefore, the institutionalization of the "rights of the minority" is not to the advantage of the democratization of the LC and would weaken its ideopolitical unity and ability to act to turn orientations into actions. (The stand "majorities and minorities" which is cited here is taken from the working version of the draft resolution while in the "Bases for the Democratic Reform of the LC" say, among other things, regarding the same question that the "minority in the LCY and the Serbian LC cannot be anathematized," that this is a "normal occurrence in democratic organization," and

that "it has the right to point out failings, inconsistencies, or mistakes in implementing the decisions of the majority," and it even possibly has the right "to have a passive attitude to these decisions within the limits and time frame established in the Statute." This obviously different approach to the questions of the "minority and majority" in the working versions of the congress documents was pointed out at the session of the Presidium of the Central Committee of the Serbian LC but without a stand being taken on this: It was left to the commissions which work on preparing the proposed documents to harmonize the stands).

Man Jailed for 'Insults' to Serbian Leaders
AU2607134389 Belgrade BORBA in Serbo-Croatian 24 Jul 89 p 12

[Unattributed report: "Prison for Nationalist Attacks"]

[Text] Makarska—Drazen Ivana Grubisic (31) from Tucep has been sentenced without the right of appeal to 30 days imprisonment for a nationalist attack. On 17 July, Grubisic in a public place voived various insults and slanders at the expense of the Serbian people and some leaders of this republic. For this reason, criminal proceedings were initiated against him.

Croatian League Central Committee Session Held
LD2607220189 Belgrade TANJUG Domestic Service in Serbo-Croatian 0928 GMT 25 Jul 89

[Excerpts] Zagreb, 25 Jul (TANJUG)—All the major questions of the reform of the political system must be approached from the generally accepted value system in the country and Tito's strategy of the development of Yugoslavia as a whole as well as each part of it, Dusko Dragun, a member of the Croatian League of Communists Central Committee [LC CC] Presidium, said at the Croatian LC CC session in his introductory report called "The Ideological Bases of the Further Reform of the Political System."

The Croatian LC CC, presided over by Stanko Stojcevic, will today discuss both the ideopolitical bases for changes and addenda to the League of Communist of Yugoslavia [LCY] statute and the Croatian LC Statute, as well as a report on nominating procedure. At the beginning of the session, Stanko Stojcevic announced that there would also be consideration of the current political situation, concerning which Drago Dimitrovic, the secretary of the Croatian LC Presidium, would provide introductory information.

In building a strategy for changing the political system and reforming society, generally speaking the starting point must be from the continuity of our revolution, from self-managing socialist development and the indissoluble results, and from the positive experiences in the development of society, Dragun said in his introductory report. However, at the same time everything which has not withstood the test of time, everything which has not succeeded and has blocked development, must be released in a more resolute way from the political system. Democratic relations, socialist self-management, the federal system, and an independent and nonaligned policy are the bases of the continuity of our revolution and of the further development of our society and civilization. We are sure that in this value system we can make steps forward in the development of a more modern socialism in which man and the quality of his life will be at the center of attention. [passage omitted]

Having gone on to speak in detail about the need for the radical reform of the communal system, Dragun also analyzed the place and role of the republic in the political system. He said that the basic constitutional orientations on the role and place of the republic are an unavoidable basis upon which new qualities can be constructed. The fact should be borne in mind, Dragun stressed, that in the national liberation war and armed revolution, the Croatian people and the Serbian people in Croatia, together with other nations and nationalities, set up the their socialist republic of Croatia on the basis of the right of self-determination—including the right to secede and the right to associate with other peoples—by their freely expressed desire, for the purpose of protecting their national independence and freedom, and they became united with the other nations and nationalities in the SFRY. This is the basis on which we built our relations and ensured equality in the federation, Dragun said, and these are at the same time the premises for the construction and realization of fundamental rights, relations, and equality in the republic. [passage omitted]

He concluded "that the demands for changing the fundamental relations in the federation, which would be a basis for majority decisionmaking and out-voting, and the suppression of consensus decisionmaking on vital questions of life together, work and development, and for expanding the competence of the federation without the consent of the federal units, are not acceptable." At the same time this does not mean, Dragun said, that we consider relations in the federation to be perfect and settled on a lasting basis. They will continue to be developed, perfected, and enriched with fresh contents, depending on economic, social, culture, and national development and the emancipation of each federal unit and Yugoslavia as a whole. [passage omitted]

Two different views regarding the path of development of socialism have clashed in Yugoslavia and the LCY over essential issues of reform of the political system, Stojcevic said. Etatistic-bureaucratic thinking is still strong, while thinking that socialism should be developed further on the basis of a democratic concept is coming of age and is increasingly heard. It is wrong to say the clash is between republics. It blurs the nature of differences within the LCY. These views are not proportioned to territories. The difference is only in the degree to which thinking in favor of further development on the

basis of a modern democratic basis has come through and where. In the discusion, no one should present oneself as the "vanguard." [passage omitted]

Following a short debate, and with the explanation that ideopolitical bases for changes and amendmends to the statute will be the subject of a public debate in the LCY, the Croatian LC CC endorsed the proposed decisions of the 11th Congress of the Croatian LC about the number of members for the organs of the Croatian LC, executive organs, and secretaries of executive organs of the Croatian LC. [passage omitted]

The Croatian LC CC also endorsed the proposal that a future LCY CC should have 129 members, which will be discussed at the forthcoming session of the LCY CC. [passage omitted]

Afterwards, the Croatian LC CC discussed the current political situation, about which Drago Dimitrovic, secretary of the Presidium of the Croatian LC CC, submitted the introductory speech.

Speaking about the current political situation in the Socialist Republic of Croatia and immediate tasks of the Croatian LC, Dimitrovic said at the beginning of the introductory speech that efforts should be concentrated on problems and issues which directly jeopardize the course of reforms. We should talk in depth about these problems taken as a whole, and for those reasons, the next session of the Croatian LC CC, in September, should be dedicated to this topic, Dimtrovic said.

Today, Dimitrovic said, the Croatian LC CC should determine its stance toward several processes which, with their force, have been destroying the issue of society and presuppositions for its transforamtion and under democratic conditions. For that reason he proposed that two groups of issues be discussed: halting escalation of intranational conflict in the Socialist Republic of Croatia, and adopting a stance toward more radical polemics in the struggle against inflation in the SFRY.

In the past few months, the Socialist Republic of Croatia, especially some parts of it, particularly Dalmatia, are in the center of exacerbated intranational relations, which, after the marking of the 600th anniversary of the battle of Kosovo near Knin, have been followed up by violent terrorist activities, Dimitrovic said.

The more radical nature of the processes of divisions and polarizations, which have been present for a long time, are entering a phase in which the absence of energetic action aimed at crushing all proponents of these kinds of activities would have catastrophic consequences on overcoming the crisis in a democratic fashion.

For that reason, Dimitrovic stressed, we must undertake everything so that the legal and self-protection system which its efficient reaction prevent and punish, and so that political and information systems calm flaming passions.

This is an imperative task and I believe, Dimitrovic said, that undivided agreement exists that there is no alternative to ensuring full security of people and instruments, and that all unrestrained forces should be halted energetically.

Stressing that halting the escalation of intranational conflicts in the Socialist Republic of Croatia should become central to its action, Dimitrovic said that we should thereby create conditions for resolving accumulated problems in society in a tolerant and democratic atmosphere.

Political frameworks for the action on a more permanent resolution of problems do not have all presuppositions required for its success, Dimitrovic said, because nationalisms stem from and are supported from outside the Socialist Republic of Croatia, and because the crisis itself generates them. We should expose theses that block the struggle against nationalism.

"Here I have in mind above all those who speak about unequal treatment of nationalisms in the Socialist Republic of Croatia. We are reproached for tolerating Serbian nationalism; it is thrown at us that events concerning the Knin celebration prove this and that by not taking a stance toward nationalistic positions and actions in the Socialist Republic of Serbia, we jeopardize the position of, above all Croatians and the Socialist Republic of Croatia. These theses are grounds for fomenting activity from the position of Croatian nationalism. From these standpoints, individuals and groups assume the right to take justice into their own hands and to clear up relations, whereas in fact, they act from the most blatant terroristic positions."

Today we must say clearly, Dimitrovic said, that judical and repressive practice in the Socialist Republic of Croatia treats all forms of nationalism equally.

We cannot accept justification of one nationalism by another one, Dimitrovic went on, specifying: today, civilization activity of each individual and nation consists in countering forms of nationalism, above all its own, at every level. Looking for excuses for covering up one's own nationalism with alleged activity of another nationalism is just an expression of a phobia or nationalistic activity, which is easily made more radical to the extent of the most glaring forms of terrorism, chauvinism, and intolerance. [passage omitted]

Uncertainties of a new road are greater, temptations for its policies—until it starts to yield results—are far greater than uncertainties and temptations of the project

of national self-sufficiency, which as a rule offers an idealized picture of the world at the beginning, but only later, in a collision with reality, sobers up painfully.

For that reason, we demand from all political factors, Dimitorvic stressed, to halt the spread of the wave of nationalistic activity with practical action. This is a special obligation of sociopolitical factors at the Adriatic coast, who must ensure that every guest is respected in the most professional way, and that self-protection system issues without euphoria sanctions against those who attack the legal system.

Tourist season and meetings between people, the whole intersection of nations rumbling along the Adriatic coast, Dimitrovic stressed, must serve the purpose of affirming life together, not discord. Therefore, those who do not understand this and who in the name of momentum or their own passions take into their hands instruments of the legal and protection system, should be counteracted with activity of the same system. Today is must be clear to everyone that the AVNOJ [Anti-Fascist Council of the National Liberation of Yugoslavia conception of Yugoslavia must be defended in all parts of the SFRY, in relations which develop daily, and that no bodies or forums can replace this. [passage omitted]

The second critical dimension of the current political situation, according to Drago Dimitrovic, is created by the atmosphere surrounding speculations on how to start mechanisms for toppling the Federal Executive Council [FEC], which is a prelude to reaching the alleged solution of the crisis on bases that negate interests and fundamental orientations of the majority of people in the Socialist Republic of Croatia.

A concrete manifestation of the process is a discussion about the anti-inflation program and abuse of the discontent of people who under the pressure of crisis should support the so-called quick solutions, even though the modernized bureaucratic-etatistic and centralistic version of resolving the crisis is latent in them and they do not contain a comprehensive project of reforms which we have been advocating since the first LCY conference.

We will defend the orientation to reforms, Dimitrovic underlined, with all arguments and powers. A segment proposed by the FEC is a part of reforms and we are behind it and we will fight for it. Simultaneously, we will not insist on the exclusive right to see ways out alone. Whoever knows better solutions should offer them publicly. At the same time, it would be insufficient to say freeze prices. It should be said what model will be employed later. Everyone knows to freeze prices, and salaries, too, but, a road of changes away from consensus economy, away from an inefficient and technologically backward, badly set-up economy regarding organization, and the same road toward a modern system is much more difficult. There are not infinitive solutions and alternatives on the road. However, side-tracks are more numerous than ways out.

The secretary of the Croatian LC CC Presidium stressed at the end that we should not idly await the destruction of consensus model of social reforms, adopted through the Constitution and verified in the SFRY Assembly. We will conduct a dialogue, and we ourselves will look for better solutions and speedier ways out, Dimitrovic concluded.

Djuro Dujakovic from Knin insisted during the debate that the people of Kninska Krajina will continue to make considerable contributions to the development of brotherhood and unity of the Croatian and Serbian people, as well as all other Yugoslav nations and nationalities. Someone else and not the honest people should be blamed for and made to bear the consequences of what happened in Knin. He stressed that what Knin urgently needs is continued assistance, which the Socialist Republic of Croatia has, in any case, been giving comprehensively.

Niko Jozic said that municipal committies of the Croatian LC reacted spontaneously and conscientiously to nationalist incidents, and given their support to the stands of the Croatian LC CC Presidium. He noted that in our country there exist national republican programs, especially in the Socialist Republics of Serbia and Slovenia, and that attempts are made to prove that it is precisely these programs the country needs to resolve its problems. [passage omitted]

Boris Milat and Slava Blazevic stressed that our country needs a synchronized action against nationalism of all types. Ante Milat drew attention to one of his previous statements when he said that the attacks on Suvar and Vrhovac would be followed by attack on Ante Markovic. In Milat's view, everything possible should be done to stop these attacks and to embark on the reforms more resolutely. Milat also said that that it is unacceptable that the picture of one and the same politician is being carried and extolled by people of three differing ideologies, including nationalists, chauvinists, and even those who are Chetnik-oriented. Slobodan Milosevic should, in Milat's view, dissociate himself from all this. [passage omitted]

Mladen Zuvela said that the population of Croatia is exceptionally concerned at the situation in the country. The feeling of insecurity among the people is mounting as a result of the fact that intranational relations have worsened and have been pushed into the forefront to the detriment of other more important problems. The causes, of course, lie in the economic-social crisis, but intranational relations are increasingly influenced by developments in the area of pure politics. [passage omitted]

There has also been no reaction to various theses and "programs" which question the sovereignty of a people, Zuvela said. For instance, there has been no reaction to the so-called proposal to establish an autonomous "Serbian Krajina" with the seat in Karlovac. [passage omitted]

The incidents at celebrations in Knin and what followed and the latest incident in Trilj [where cars with Belgrade registration plates were vandalized] are wrongly branded as nationalism since nationalism means promoting political stands as well, Boris Malada said. They are, in fact, mere chauvinism to be dealt with by legal institutions. Until these institutions react unanimously throughout Yugoslavia, it will be impossible to halt further worsening in intranational relations. [passage omitted]

DELO on 'Veiled' Croat Reaction to Knin Events

AU2507202789 Ljubljana DELO in Slovene 21 Jul 89 p 2

[Peter Potocnik commentary: "Croatian Self-Accusation Syndrome"]

[Text] The condemnations of dangerous chauvinist excesses that have been coming from the grass roots in Croatia and can now be heard in republican forums contain a syndrome of self-accusation among the Croats, a syndrome that considerably helped to suppress the mass movement in Croatia at the beginning of the 1970's, but that has been weakening, at least outwardly, after the Knin events.

At the Socialist Alliance meeting on Wednesday, General Ferdinand Toplak, retired, clearly expressed this syndrome when he said that "the Serbian mass movement must be countered with equal severity as the Croatian was in 1972." This means that all means of repression must be used.

Precisely these calls to repression with all means can merely strengthen and further encourage the "Serbian mass movement," as the present movement is called, and especially its hotbed. At the same time they fan hatred among people and wake up Croatian chauvinism (and others), in this way establishing an "equilibrium" in the Jacobine bolshevik collection of evil through which such a policy can alone be preserved, this time using the example of the Knin events.

If we clear up ideological and other lumber from the reaction to the Knin events, it appears that people are playing the role that official policy should have played. As the reaction to the events in Knin shows, this policy involves very few thinking people. Croatian youths very clearly and resolutely pointed this out 3 days ago when they demanded that the Presidency of Socialist Republic of Croatia publish the shorthand record of the talks held by the Croatian and Serbian representatives last December. The reports published so far on such gatherings recall the "Cvetkovic-Macek" agreement, Goran Beusan of the Croatian Youth leadership says. It is therefore right that we should recall the said agreement of 26 August 1939 between Dragisa Cvetkovic who formed a government in February 1939, and Vlatko Macek, leader of the Croatian Peasant Party, according to which agreement Croatia received an autonomous banovina [regional administrative unit in the Kingdom of Yugoslavia] at the cost of demolishing the last vestiges of old Yugoslav democracy, not to mention the ultimate cost, which was the pact with Hitler on 25 March 1941.

It appears that the Split and the Knin Communists got closest to the essence of the problem when they noticed that what stands behind the Knin provocations is a scenario of a nationalistic, totalitarian, and expansionist policy, with which it is not possible to make any compromises or to establish any coexistence. Even their reaction was somewhat veiled when they demanded that Slobodan Milosevic and his team dissociate themselves from nationalistic and chauvinist rampaging in in the Knin region which the "exporters of the street revolution" staged with modest local support.

The Croatian veterans organizations reacted in a similar way. And that is all. It is therefore really a question of who will profit and who will lose from the Knin events, while we rely on the wonderful people and their sociopolitical leaders who turned their back on nationalists and chauvinists in the Knin region.

Five Sentenced After Kosovo Anniversary at Knin

AU2607134689 Belgrade BORBA in Serbo-Croatian 24 Jul 89 p 12

[Unattributed report: "Five People Sentenced"]

[Text] Knin—The Knin communal magistrate today sentenced five people over incidents at the commemoration of the 600th anniversary of the Battle of Kosovo in the Knin region. Vojin Tintor (1952) from Plavno was sentenced to 55 days for violations against public order and highly arrogant and rude behavior in a public place. Under the same article of the law, Zdravko Radic (1955) from Raducic was sentenced to 50 days, and Dusan Savic Dimitrovic (1953) from Zadrovic was sentenced to 30 days imprisonment. [sentence as published, with only three names supplied] The offenses were said to have been committed on 9 July at the Lazarica church at Kosovo near Knin.

Slovene Opinion Polls on Confidence in League

AU2607160789 Belgrade BORBA in Serbo-Croatian 24 Jul p 3

[TANJUG report: "Flagging Confidence"]

[Text] Ljubljana, 25 Jul (TANJUG)—The "rating" of Communists in Slovenia has fallen to its lowest ebb since regular public opinion polls started in the republic 20 years ago. Indeed, these polls have never at any time in this period shown that a majority of those questioned in this period have believed in the policies of the League of Communists [LC], but it is disturbing that the number of those who do so has this year fallen to only 5 percent.

The "record" was in a certain sense achieved in 1980, when almost one half of those questioned were convinced that the policy of the LC was in the interest of the majority, but confidence then began to fall sharply. Only 2 years later, half as many of those questioned were of the same conviction, which suitably exasperated the leadership of the Communists in Slovenia. It was rumored then that the sociologists of the Faculty of Sociology, Political Science, and Journalism who carried out the poll were "rapped over the knuckles," but it is certain that the results were not published in the media.

What were published were even more disheartening results for the Communists 1 year later. Less than 20 percent of replies were in the affirmative, and over 10 percent were markedly negative. Then, however, began the period of "thaw," when questions were asked about the party which until then had been unthinkable.

Then, among other things, a question evaluating the prestige of the LC was clearly asked, and 2 years later the poll included the question of whether "the LC has no prestige whatsoever." In 1986, 6 percent agreed with this view. One year later, 12 percent agreed, and, last year, as many as 16 percent. This year, 15 percent agreed with this view.

To obtain a fuller picture of Slovene public opinion, sociologists asked some additional questions last year, and produced some consoling data for the Slovene LC leadership.

It was evident that almost one half of those questioned, when they thought poorly of the LC, had in mind the League of Communists of Yugoslavia and its Central Committee, and only one tenth were thinking of the the Slovene LC leadership and its Central Committee. The same number of people took a dim view of Communists in their own neighborhoods and party leaders in communes and factories.

[Ljubljana DELO in Slovene on 21 July on page 22 carries a 1,200-word article by Alenka Puhar on the Slovene public opinion polls through 20 years, under the title "Fading Party Glory." A line chart presents the response through the years to the question "Does the policy advocated by the League of Communists in our country agree with the interests of the majority?"

[The answer "Completely" was given by 18 percent of the respondents in 1968, and about 32 percent in 1969. The curve then falls gradually to a low of about 26 percent in 1973, rises smoothly to just under 50 percent in 1980, falls abruptly to 23 percent in 1982, and to about 18 percent in 1983, rises slightly to about 22 percent in 1984, and then falls continuously to 5 percent in 1989.

[The answer "Not at all" was given by 10 percent of respondents in 1968, and 5 percent in 1969. The curve drops to 2.2 percent in 1980, rises to 6.5 percent in 1982, and to about 13 percent in 1982, drops to about 11 percent in 1984, and then continues rising reaching 33 percent in 1989.]